FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Asia

FBIS-EAS-96-134
Thursday
11 July 1996

Daily Report
East Asia

FBIS-EAS-96-134 CONTENTS *11 July 1996*

NOTICE: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

Cambodian Prime Ministers Brief International Gathering *[KYODO]* 1

INTER-ASIAN AFFAIRS

Malaysian Economic Adviser Notes Slow Progress of EAGA Project *[NEW STRAITS TIMES 8 Jul]* 2

NORTHEAST ASIA

Japan

Japan: Film Dispute Talks With U.S. Begin Under WTO *[KYODO]* 3
Japan: U.S. Takes Up Issue of Big Retail Stores in Film Dispute *[KYODO]* 3
Japan: WTO Session on Film Dispute With U.S. Continues *[KYODO]* 4
Japan: Hashimoto Gives MITI Chief 'Full Powers' on Chip Talks *[KYODO]* 4
Japan: SDP, LDP Officials Comment on Meeting With Mondale *[KYODO]* 4
Japan: Official on Sep Deadline for Resolving Okinawa Base Issues *[KYODO]* 5
Japan: LDP Mission To Seek Breakthrough in Okinawa's Base Problems *[ASAHI SHIMBUN 10 Jul]* 6
Japan: SDP Policymaker Ito Interviewed on Okinawa Base Issue *[NIHON KEIZAI SHIMBUN 10 Jul]* 6
Japan: Business Executives Group on Security Issues *[Keizai Doyukai WWW]* 7
Japan: Article Views Anthony Lake's Visit to PRC *[NIHON KEIZAI SHIMBUN 10 Jul]* 12
Japan: Spokesman on Russian Election, Other Issues *[Japanese Ministry of Foreign Affairs WWW]* 13
Japan: Decision Delayed on Hashimoto Attending Yeltsin Inaugural *[KYODO]* 16
Tokyo Hosts International Conference on Aid to Cambodia *[KYODO]* 16
Japan: Ikeda Meets Cambodian Premier, Pledges Aid *[KYODO]* 16
Japan: Tunisian President Arrives for Visit *[Riyadh SPA]* 17
Japan: Tunisian Leader Urges Better Relations *[Tunis Tunisian Radio]* 17
Japan: Ikeda Holds Talks With Tunisian Foreign Minister *[KYODO]* 17
Japan: Tunisian President Feted at Tokyo Banquet *[KYODO]* 18
Tokyo Proposes 700 Million Yen Aid for Wartime 'Sex Slaves' *[KYODO]* 18
Japan: Spokesman on Plans To Review 'Sex Slaves' Aid in FY97 Budget *[KYODO]* 19
Japan: JAL Wins Approval for Kansai-New Delhi Route *[KYODO]* 19
Japan: Kajiyama Says People Want Hashimoto To Boost Economy *[KYODO]* 19
Japan: MITI Advisory Panel Urges Structural Reform of Economy *[KYODO]* 20
Japan: Management Speakers Criticize Bureaucrats at Seminar *[KYODO]* 20
Japan: Declining of Surplus Concerns MITI Vice Minister *[NIHON KEIZAI SHIMBUN 9 Jul]* 21
Japan: EPA Head Urges Deregulating Telecommunications Industry *[KYODO]* 21
Japan: Hashimoto Launches Private Panel To Study BOJ Law *[KYODO]* 21
Japan: Coalition Plans Y800 Billion Fund To Ease Burden on 'Jusen' *[KYODO]* 22
Japan: Regional Banks Decide To Donate to 'Jusen' Bailout Fund *[KYODO]* 22
Japan: Ministry Seeks 'Strict' Standards for Spending Requests *[KYODO]* 23
Japan: MOF Officials Say No Budget Request 'Sanctuaries' for FY97 *[KYODO]* 23
Japan: Hashimoto Plans 30 Percent Cut in New Government Employees *[KYODO]* 23

Mongolia

Mongolia: President on Importance of Ties With Russia, PRC *[ITAR-TASS]* 24

Mongolia: Ochirbat Demands Stricter Discipline After Elections *[ITAR-TASS]* 24

North Korea

DPRK: SKNDF Letter Urges Reunification at Early Date *[KCNA]* 24
DPRK: Reunification Committee Urges ROK To Give Up War 'Design' *[KCNA]* 24
DPRK: ROK's Arrest of Student Leader Denounced *[KCNA]* 25
DPRK: SKNDF Central Committee Sends Letter to Kim Chong-il *[KCNA]* 25
DPRK: WPK Delegation Returns Home After Visiting PRC *[Pyongyang Radio]* 25
DPRK: Kim Chong-il's Message to Jiang Zemin Reported *[Pyongyang Radio]* 26
DPRK: Jiang Zemin's Message to Kim Chong-il Reported *[Pyongyang Radio]* 26
DPRK: Kim Yong-nam Attends Banquet for PRC Friendship Delegation *[Pyongyang Radio]* 27
DPRK: Kang Song-san Sends Message Marking Treaty to Li Peng *[Pyongyang Radio]* 28
DPRK: Article Marks DPRK-PRC Treaty Anniversary *[KCNA]* 28
DPRK: PRC 'Friendship' Delegation Arrives 10 Jul *[KCNA]* 29
DPRK: Chang Chol Attends Banquet for PRC Delegation *[KCNA]* 29
DPRK: Kim Pok-sin Meets Visiting PRC Friendship Delegation *[KCNA]* 30
DPRK: PRC Warships Arrive at Nampo Port 10 Jul *[KCNA]* 30
DPRK: Nampo Party, Government Leader Meet Officers of PRC Ships *[KCNA]* 30
DPRK: Commander of KPA Navy Meets Officers From PRC Warships *[KCNA]* 30
DPRK: Ministry of People's Armed Forces Fetes PRC Warships *[KCNA]* 31
DPRK: Chongnyon Central Committee Sends Letter to Kim Chong-il *[KCNA]* 31
DPRK: French-Based Diplomat Condemns Japan's Attitude *[AFP]* 32
DPRK: Yeltsin's Election as Russian President Reported *[Pyongyang Radio]* 32
DPRK: Government Sends Congratulations to Russia's Yeltsin *[KCNA]* 32
DPRK: SPA Delegation Meets Mexican Political Leaders *[Pyongyang Radio]* 32
DPRK: Kim Yong-nam Sends Greetings to Venezuelan Counterpart *[KCNA]* 33
DPRK: PRC 'Friendship' Delegation Visits Kim Il-song Statue *[KCNA]* 33
DPRK: Sailors of PRC Warships Lay Basket at Kim Il-song Statue *[KCNA]* 33
DPRK: Visiting PRC Sailors Visit Kumsusan Memorial Palace *[KCNA]* 34
DPRK: Chang Chol Accompanies PRC Delegation to Kumsusan Palace *[KCNA]* 34
DPRK: Foreign Diplomats, Others Leave Flowers at Mansu Hill *[KCNA]* 34
DPRK: Kim Il-song 'Devoted' Life to Reunification Cause *[KCNA]* 34
DPRK: Seventh Volume of Kim Il-song's Reminiscences Published *[KCNA]* 35
DPRK: Toksong County Electricity Situation Reported *[Pyongyang Radio]* 36

South Korea

ROK Studies Linking Sharing of USFK Expenses to SOFA Talks *[TONG-A ILBO 11 Jul]* 36
ROK: U.S. 'Offensive' Against ROK Trade Barriers Viewed *[HANGUK ILBO 11 Jul]* 37
ROK: MOTIE: U.S. Should Stress Broad ROK Market Opening *[YONHAP]* 37
ROK: U.S. Methodists Discuss Trip to DPRK, Relief Efforts *[YONHAP]* 38
ROK Decides on 'Task Force' To Find Pro-DPRK Network Sites *[THE KOREA TIMES 6 Jul]* 38
ROK: 'Influential' Minister Urges 'Unconditional' Aid to DPRK *[YONHAP]* 38
ROK: DPRK Resident Defects to ROK by Crossing Han River *[YONHAP]* 39
ROK: PRC Said To Adopt 'Soft-Landing Strategy' Toward DPRK *[CHOSON ILBO 10 Jul]* 39
ROK: DPRK Viewed on 2d Anniversary of Kim Il-song's Death *[The Digital Chosun Ilbo WWW]* 40
ROK Deciding Whether To Allow Firms To Attend DPRK Forum *[THE KOREA HERALD 8 Jul]* 40
ROK: DPRK Earns $236 Million From 'Indirect' Trade With ROK *[THE KOREA TIMES 8 Jul]* 41
ROK: Ruling NKP Moving To Improve Nation's Ties With Taiwan *[THE KOREA TIMES 8 Jul]* 42
ROK: Finance Official Notes Progress in OECD Candidacy *[YONHAP]* 42
ROK: Business Executives Comment on Potential OECD Membership *[YONHAP]* 42

ROK Daily Views Benefits, Costs of Entry Into OECD *[THE KOREA TIMES 8 Jul]* 43
ROK: Paraguayan President Views Friendship, Signs Accords *[Asuncion ABC COLOR 10 Jul]* 43
ROK: Foreigners Invited To Participate in New Airport Project *[THE KOREA HERALD 6 Jul]* 44
ROK: Ssangyong Plans To Invest 20 Billion Dollars in Asia *[THE KOREA TIMES 5 Jul]* 45
ROK: Kim Yong-sam Emphasizes Price Control, Safety *[YONHAP]* 45
ROK: Conflict Between Democratic Party, NCNP Noted *[THE KOREA TIMES 6 Jul]* 45
ROK: Article Views Prosecution-NCNP Conflict *[THE KOREA TIMES 6 Jul]* 46
ROK: Opposition Parties Urge Government To 'Sack' NPA Chief *[THE KOREA TIMES 8 Jul]* 47
ROK: Court Begins Procedures To Seize Chon's Assets *[YONHAP]* 47
ROK: Defense Lawyers of Chon, No Withdraw From Oral Proceedings *[YONHAP]* 48
ROK: Increasing Economic Polarization by Region Noted *[THE KOREA TIMES 6 Jul]* 48

SOUTHEAST ASIA

Burma

Burma: Suu Kyi Opposes Inclusion of Burma in ASEAN *[BANGKOK POST 11 Jul]* 50
Burma: Suu Kyi Asks ASEAN To Help in Dialogue With Rangoon *[THE NATION 10 Jul]* .. 50
Burma: Suu Kyi Denies Sending Letter to ASEAN *[BANGKOK POST 11 Jul]* 51
Burma: SLORC Chairman Tan Shwe Reportedly Confined in Hospital *[ASAHI SHIMBUN 11 Jul]* 51

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Police Detain Three Liberians Over Fake U.S. Currency *[THE STAR 9 Jul]* 52
Malaysia: Deputy Premier Says No Extra Trade Conditions From UK *[NEW SUNDAY TIMES 7 Jul]* 52
Malaysia's Abdullah, Britain's Henley Discuss PRC, ASEAN *[Kuala Lumpur TV]* 52
Malaysia: Islamic Party Drops Ally From Unity Front, Ends Ties *[NEW SUNDAY TIMES 7 Jul]* 53
Malaysia: Official Discloses Existence of Deviationist Groups *[NEW SUNDAY TIMES 7 Jul]* 53
Malaysia: Anwar Says Mahathir To Decide on Post for Razaleigh *[THE STAR 9 Jul]* 54
Malaysia: Television Station With Focus on Sabah, Sarawak Approved *[THE STAR 9 Jul]* 54

Singapore

Singapore: Two Military Officers Sent for UN Peacekeeping Duties *[THE STRAITS TIMES 11 Jul]* 54

Indonesia

Indonesia: Suharto Meets With Japanese Parliamentary Delegation *[SUARA PEMBARUAN 5 Jul]* 55
Indonesia: Warships Purchased From Germany Arrive 5 Jul *[SUARA PEMBARUAN 7 Jul]* 55
Indonesia: Suharto 'in Very Good Health', Scheduled To Return 13 Jul *[Jakarta Radio]* 55
Indonesia: Suharto's Son Rejects Objections to Timor Car Privileges *[KOMPAS 9 Jul]* 56
Indonesia: Observers View Effects of PDI Affair on 1997 Election *[THE JAKARTA POST 8 Jul]* 56
Indonesia: Megawati Says Government Trampled Over Democracy *[THE JAKARTA POST 9 Jul]* 57

Laos

Laos: National Assembly Chief Meets With Thai Host in Bangkok *[KPL]* 58
Laos: Malaysian Airlines Inaugurates Flight to Vientiane *[VIENTIANE TIMES 11 Jul]* 58

Philippines

Philippines: Foreign Secretary Denies PRC Released Detailed Baseline *[THE MANILA CHRONICLE 17 Jun]* 59

Philippines: Locally Assembled, Reconditioned Trainer Aircraft Unveiled *[TODAY 22 Jun]* ... 60
Philippines: Abu Sayyaf Rejects Government-MNLF Peace Agreement *[TODAY 26 Jun]* 60
Philippines: Mindanao Legislators Reveal Breakaway MNLF Group *[PHILIPPINE DAILY INQUIRER 25 Jun]* 61

Thailand

Thailand: NSC Official Comments on Vietnamese Refugee Deadline *[BANGKOK POST 6 Jul]* 61
Thailand: Government's Repatriation of Lao Hmong Detailed *[THE SUNDAY POST 7 Jul]* ... 62
Thailand: Mexico Seeking Place as ASEAN Dialogue Partner *[BANGKOK POST 6 Jul]* 62
Thailand: ASEAN's 'Wise' Move To Upgrade Russia Status Lauded *[THE NATION 10 Jul]* . 63
Thailand: WTO Faces Pressure on Linking Human Rights to Trade *[BANGKOK POST 6 Jul]* 64
Thailand: Shipping Offers Under WTO for Foreign Firms Withdrawn *[BANGKOK POST 11 Jul]* 65
Thailand: Butrus-Ghali 'Wrong Man' To Lead United Nations *[BANGKOK POST 8 Jul]* 66
Thailand: Amnuai Lowers Export Growth to 'Challenging' 14 Percent *[BANGKOK POST 9 Jul]* 66
Thailand: Chinese Dailies on Prachakon Thai's Return to Government *[XIN ZHONG YUAN RIBAO, etc.]* 67
Thailand: Sano Demands Banhan Quit Interior Ministry Post *[THE SUNDAY NATION 7 Jul]* 68
Thailand: Authorities Report KNU, DKBA Clash at Border Camp *[THAILAND TIMES 7 Jul]* 68
Thailand: KNU Soldiers Attack, Seize Rangoon-Backed Karen Post *[BANGKOK POST 8 Jul]* 69
Thailand: Academics Praised for Role in Solving Problems *[MATICHON 4 Jul]* 69
Thailand: Government Told Economy To Collapse With Banhan in Power *[THE SUNDAY POST 7 Jul]* 69
Thailand: Prime Minister Comments on New Central Bank Chief *[Bangkok Radio]* 70

Vietnam

SRV Party Central Committee Political Report *[QUAN DOI NHAN DAN 30 Jun]* 71

AUSTRALASIA

Australia

Australia: 'Media Release' on Agriculture Consultations With U.S. *[Australian Department of Foreign Affairs and Trade WWW]* 101
Australia's Downer: Enhanced Defense Ties Not for Containing China *[Melbourne International]* 102
Australia: Howard Dismisses Calls for Downer's Resignation *[THE SYDNEY MORNING HERALD 29 Jun]* 102

New Caledonia

New Caledonia: French Minister Holds Talks With FLNKS Leader *[Melbourne International]* 103

New Zealand

New Zealand: 'Disquiet' Expressed Over 'Shrinking' Defense Force *[THE PRESS 25 Jun]* 103
New Zealand: Editorial Views Bill on Intelligence, Security Agencies *[THE PRESS 26 Jun]* . 104

Papua New Guinea

Papua New Guinea Commander on Role of Canberra Arms Against Rebels *[SYDNEY MORNING HERALD 4 Jul]* 105
Papua New Guinea: Military Silent on Reported Bougainville Offensive *[Melbourne International]* 106
Papua New Guinea: Rebel Sources Confirm Offensive on Bougainville *[Melbourne International]* 106

Papua New Guinea: Person Claims Responsibility for Grenade Attack *[Melbourne International]* 106

Solomon Islands

Solomon Islands: PNG Prime Minister Accused of Making 'Serious' Allegations *[Melbourne International]* 107
Solomon Islands: Minister Fails To Meet PNG Counterpart on Worsening Ties *[Melbourne International]* 107

Cambodian Prime Ministers Brief International Gathering

OW1007141996 Tokyo KYODO in English 1255 GMT 10 Jul 96

[FBIS Transcribed Text] Tokyo, July 10 KYODO — The two prime ministers of Cambodia vowed again Wednesday to foster a stable political situation in the Indochinese country with help from the international community.

First Prime Minister Norodom Ranariddh and Second Prime Minister Hun Sen made another pledge at an informal meeting here on Cambodia's political and social situations, a Japanese Foreign Ministry official said.

At the gathering held one day before the opening of a two-day international conference on economic aid to Cambodia, the two briefed participants on the war-devastated nation's efforts to reconstruct itself, the official said.

Both Ranariddh and Hun Sen also made it clear that the present Cambodian government, formed in June 1994, is committed to democracy, the official said.

The other participants from 15 countries and six international organizations welcomed Phnom Penh's reconstruction efforts and agreed to continue supporting Cambodia.

Ranariddh, son of Cambodian King Norodom Sihanouk, is the leader of the Royalist FUNCINPEC Party, while Hun Sen heads the Cambodian People's Party.

Despite the coalition government, the political rivalry between the two premiers has intensified as the country is to hold nationwide local elections in 1997 and general polls in 1998.

Japan sponsored Wednesday's meeting with the aim of mediating between Ranariddh and Hun Sen on the occasion of the international conference on economic assistance to Cambodia.

At the gathering, chaired by Japan's Deputy Foreign Minister Shunji Yanai, the Cambodian leaders expressed hope the international community will support their nation at the time of the two major elections, the official said.

The delegates from the other countries and the international bodies promised they will consider how best they can extend fiscal and technical assistance for the polls, the official said.

Both Ranariddh and Hun Sen said Cambodia is ready to move to a full-fledged multiparty system in the future. But they also contended that Cambodia's democratization should be promoted at a moderate pace.

The participants did not raise the question of Khmer Rouge guerrilla leader Pol Pot, both in terms of his rumored death or his group's recent activities, according to the official.

The international donors' meeting starting Thursday will be co- chaired by the Japanese Government and the World Bank.

It will focus on mid- to long-term "intellectual assistance" for nation-building, such as the creation of a functioning legal system, rather than on basic humanitarian needs.

Japan plans to offer internships for trainees in the legal profession, finance for vocational training programs for women and some 2.5 million dollars for the clearing of land mines that are still buried in the countryside, killing and maiming thousands of Cambodians every year.

Malaysian Economic Adviser Notes Slow Progress of EAGA Project

BK1007121396 Kuala Lumpur NEW STRAITS TIMES in English 8 Jul 96 p 25

[Unattributed report]

[FBIS Transcribed Text] The BIMP-EAGA [Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area], set up to promote inter-ASEAN co-operation in areas neglected by far-off central governments, is "taking too long a time" to develop, says Tun Daim Zainuddin.

The Economic Adviser to the Government, who is also the Minister Co-ordinating the Growth Triangle for Malaysia, said: "The pace and level of development in the region is taking too long a time and I am worried that the opportunities that are available may us by. [sentence as published]

"The current development has not led to much of an impact on the quality of life of the people in the region. Poverty and the lack of basic amenities still characterised much of the landscape of the region."

Prevailing conditions still fall far short of a reasonable standard of living compared to what is available in capital cities."

He was speaking at the Fifth BIMP-EAGA (Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area) Meeting held over the weekend in Davao City, Mindanao in the Philippines.

EAGA formed in March 1994, seeks multilateral participation from the public and the private sector, to build transborder economic co-operation between the respective countries.

In short, EAGA aims to be a location of choice for highly competitive resource-based manufacturing including agro-industries and tourism activities.

The EAGA network covers Labuan and Miri (Malaysia); Pontianak, Balikpapan and Tarakan in Kalimantan, Manado in Sulawesi (Indonesia); and Zamboanga City, Davao, General Santos City and Puerto Princesa in the Philippines.

Daim said BIMP-EAGA must be transformed to allow it to present itself as a region which boasted of high-quality economic and social infrastructure.

"Such infrastructure support will have to provide adequate and efficient facilities and utilities including power and transportation network which connects not only all the regional centres by roads, railways, and air routes but also between the regional centres and other metropolitan cities.

"Only when all these infrastructure networks are in place will we be able to promote the region as an attractive place for investments," Daim added.

He listed three factors to bring about greater development in the region:

— The expansion of free trade among member countries must be popularised as the norm for the region.

Deregulation, standardisation and harmonisation of rules and regulations well as the creation of compatible systems in communications, finance and banking, are some of the areas that need quick attention to further increase the co-operative spirit.

— Economic development depends heavily on the initiative of the private sector which has the vision and capacity to make things happen; and

— The role of the governmennts through public managements and institutions needs to be strengthen.

Japan

Japan: Film Dispute Talks With U.S. Begin Under WTO

OW1007152196 Tokyo KYODO in English 1502 GMT 10 Jul 96

[FBIS Transcribed Text] Geneva, July 10 KYODO — Japan and the United States started formal talks Wednesday on the multibillion dollar Japanese photo film market under the dispute settlement procedures of the World Trade Organization (WTO).

The U.S. claims that "unreasonable practices" are thwarting foreign competition in the Japanese photo film market and brought the case last month to the world trade watchdog.

"We believe very strongly that we have a very strong case to make," said Andrew Stoler, deputy chief of the U.S. Mission to the WTO, before the beginning of the talks.

Jun Yokota, head of the Japanese delegation, later told reporters, "we can't say why they are so confident but we are also confident. Japan's (photo film) market is as open as other markets."

Eastman Kodak Co., frustrated in its attempts to penetrate the Japanese market dominated by Fuji Photo Film Co., lodged a petition last year with the Office of the U.S. Trade Representative (USTR) under Section 301 of a U.S. trade law.

After a yearlong probe into the case, the USTR decided to file a complaint with the WTO instead of taking unilateral measures.

The U.S complaint, backing Kodak's claims, is threefold.

It says Japanese laws and administrative measures, such as the large-scale retail stores law and the premium law, are thwarting imports of photographic film.

Secondly, it claims, the retail stores law limits distribution and retail outlets for foreign products.

The third and the most contentious issue is on "restrictive business practices" by Fuji in the Japanese market. Washington claims that the "Keiretsu" corporate grouping between Fuji and its retailers is impeding foreign access.

Japan says this is outside of the competence of the WTO to judge and has asked for further clarification from Washington.

Both Japanese and U.S. negotiators said Wednesday this round of bilateral talks, which will last for two days, will not touch on the issue of "restrictive business practices" because they still have to work out how to deal with it.

The U.S. made the request to discuss the issue based on the 1960 decision by General Agreement on Tariffs and Trade (GATT), now replaced by the WTO. The decision recommended the GATT member countries to consult on private business practices.

U.S. Deputy Assistant Trade Representative James Southwick, who heads the delegation, told reporters, "within the framework of our consultations, the 1960 decision is outside of the request under the dispute settlement understanding (of the WTO)."

He said, however, "it would be rather a surprising treatment of the WTO decision if Japan were to decide not to enter into those consultations with us."

Japan's film market is valued at $2.8 billion per year. Kodak contends that the barriers in the Japanese market have cost it at least $5.6 billion since 1975.

Japan: U.S. Takes Up Issue of Big Retail Stores in Film Dispute

OW1107053496 Tokyo KYODO in English 0357 GMT 11 Jul 96

[FBIS Transcribed Text] Geneva, July 10 KYODO — The formal Japan-U.S. talks on the Japanese photo film market ended on the first of the two day round Wednesday with the two sides nowhere near resolving their dispute, according to U.S. and Japanese negotiation sources.

The first day of the bilateral talks under the World Trade Organization dispute settlement procedures ended in four hours, they said.

On the first day the U.S. claimed that the Large-Scale Retail Stores Law of Japan violates the WTO's agreement on service trade, saying the legal restrictions on opening new large-scale stores, which tend to sell imported goods, thwart entry of foreign products into the Japanese market. Japan refuted the U.S. argument.

Wednesday's discussions exposed such a gap between the two countries' viewpoints that the two sides did not discuss whether to pursue talks on alleged Japan's violation of the service trade agreement.

Eastman Kodak Co. of the U.S., frustrated in its attempts to penetrate the Japanese market dominated by Fuji Photo Film Co., lodged a petition last year with the office of the U.S. Trade Representative (USTR) under Section 301 of a U.S. trade law.

After a yearlong probe into the case, the USTR decided to file a complaint with the WTO instead of taking unilateral measures.

Japan's film market is valued at $2.8 billion per year. Kodak contends that the barriers in the Japanese market have cost it at least $5.6 billion since 1975.

Japan: WTO Session on Film Dispute With U.S. Continues

OW1107094696 Tokyo KYODO in English 0847 GMT 11 Jul 96

[FBIS Transcribed Text] Geneva, July 11 KYODO — Japan and the United States started the final session of their two-day talks in geneva on Thursday to resolve their photo film dispute under the settlement procedures of the World Trade Organization (WTO).

The U.S. is expected to argue that Japan's various restrictions, including the law aimed at preventing unreasonable premiums and misrepresentation about products, are thwarting distributions and sales of imported products, conference sources said.

Washington will insist that such restrictions violate the 1994 General Agreement on Tariffs and Trade, which is part of WTO rules, the sources said.

The U.S. side will also say Japan, in its enforcement of restrictions, is discriminating against foreign products, they said.

Japan is expected to maintain that similar restrictions are being adopted by European countries, the sources said.

Major U.S. film maker Eastman Kodak Co., frustrated in its attempts to penetrate the Japanese market which is dominated by Fuji Photo Film Co., lodged a petition last year with the office of the U.S. Trade Representative (USTR) under Section 301 of a U.S. trade law.

After a year long probe into the case, the USTR decided to file a complaint with the WTO instead of taking unilateral measures.

At the first-day session under the WTO dispute settlement procedures, the U.S. side argued that Japan's large-scale retail stores law violates the WTO agreement on services trade, the sources said.

Washington said the legal restrictions on opening new large stores, which tend to sell imported goods, are hampering foreign products' entry into the Japanese market, they said.

Japan: Hashimoto Gives MITI Chief 'Full Powers' on Chip Talks

OW1107060496 Tokyo KYODO in English 0521 GMT 11 Jul 96

[FBIS Transcribed Text] Tokyo, July 11 KYODO — Prime Minister Ryutaro Hashimoto told trade minister Shumpei Tsukahara on Thursday to make all-out efforts to solve the microchip trade dispute with the United States at the next round of talks beginning Monday, government officials said.

Hashimoto encouraged Tsukahara by saying he hands him "full power" in the matter, the officials said.

Tsukahara, minister of international trade and industry, visited Hashimoto, together with Yoshihiro Sakamoto, vice trade minister for international affairs.

They told Hashimoto that Japan and the U.S. could not narrow their differences in two days of working-level talks that ended Wednesday in Tokyo on the trade framework after the current bilateral pact expires at the end of this month, according to the officials.

Tsukahara reportedly said he expects to hold ministerial-level talks with acting U.S. Trade Representative Charlene Barshefsky in Christchurch, New Zealand, next Monday.

He confirmed with Hashimoto that Japan will maintain its stance against managed trade in the semiconductor talks and that it seeks consistency between World Trade Organization rules and whatever will be decided for microchip trade with the U.S., the officials said.

According to government sources, the two countries are arranging the Tsukahara-Barshefsky meeting through diplomatic channels in Christchurch, where a meeting of trade ministers of the Asia-Pacific Economic Cooperation forum will take place.

Tokyo and Washington are at odds over whether to allow government involvement in semiconductor trade after the current bilateral pact expires.

Hashimoto and U.S. President Bill Clinton pledged to resolve the semiconductor dispute, along with the insurance issue, by the end of July when they met in Lyons, France, last month.

Japan: SDP, LDP Officials Comment on Meeting With Mondale

OW1107082996 Tokyo KYODO in English 0747 GMT 11 Jul 96

[FBIS Transcribed Text] Tokyo, July 11 KYODO — U.S. Ambassador to Japan Walter Mondale suggested

Thursday that Washington will make a new proposal in two weeks on relocating a U.S. military heliport in Okinawa prefecture, officials of the Social Democratic Party (SDP) said.

Mondale gave the hint at a meeting with Kosuke Uehara, the SDP's deputy leader, and Shigeru Ito, its top policymaker, the officials said. The SDP is one of the three ruling coalition parties.

Japan and the United States have yet to agree on where to shift the heliport located at the U.S. Marine Corps' Futenma airfield.

The central government is said to be considering three places in Okinawa as options for a new heliport but has yet to get approval from the Okinawa prefectural government, which is resisting any relocation within the prefecture.

Mondale told the two SDP executives that the U.S. is hoping for a practical solution to the return of the Futenma Air Station, which is the key part of a Japan-U.S. accord in April to reduce U.S. bases in the prefecture by some 20 percent in area in five to seven years, according to the officials.

Ito asked Mondale to consider a five to 10 year range for reducing U.S. military facilities in Okinawa, they said.

In a separate meeting with officials of the Liberal Democratic Party (LDP), the dominant force in the coalition, Mondale also took up the Okinawa bases issue, LDP officials said.

Taku Yamasaki, chairman of the LDP's policy affairs research council, told mondale that there are three points on the issue — relocation of U.S. military bases, continuation of forced use of privately owned land plots for the U.S. military, and development of Okinawa, the officials said.

Touching on Okinawa Gov. Masahide Ota's refusal to sign documents needed to extend the forced land use, Yamasaki told Mondale that the LDP will consider countermeasures after seeing Ota's reaction to a ruling by the supreme court due out in September, they said.

Testifying Wednesday in the supreme court on his appeal against a lower court decision that ordered him to sign, Ota said he had no option in the face of discontent in Okinawa over the massive U.S. military presence there.

About 75 percent of all land used by the U.S. military in Japan is concentrated in Okinawa, although the island prefecture makes up only 0.6 percent of Japan's total land area.

Japan: Official on Sep Deadline for Resolving Okinawa Base Issues

OW1107031596 Tokyo KYODO in English 0231 GMT 11 Jul 96

[By Kohei Murayama]

[FBIS Transcribed Text] Washington, July 10 KYODO - Japan and the United States agreed Wednesday to accelerate their talks in a bid to clear the way by September for implementing 11 items, which they have already agreed upon, in consolidating and reducing U.S. military bases in Okinawa, a Japanese official said.

Masahiro Akiyama, director general of the Japanese Defense Agency's Defense Policy Bureau, reached the agreement with the U.S. side during his meetings with U.S. Undersecretary of Defense Walter Slocombe and other senior Pentagon officials.

The Japanese official, speaking to reporters on condition of anonymity after the meetings, said the two sides also agreed to start discussions on reviewing the bilateral defense guideline with a working-level meeting next Wednesday or Thursday in Tokyo followed by a senior-level session in the first week of August also in Tokyo.

The two nations intend to prepare a "progress report" by the so-called two-plus-two meeting of foreign and defense ministers in mid-September in New York, the official said. But this process needs a long period of time for completion, as in the previous case which took some two years, and is unlikely to be completed this year, he said.

Instead, the two nations are more focused on resolving the issues over U.S. bases in Japan's southernmost island prefecture of Okinawa, the official said.

Against this backdrop, he said Akiyama and the U.S. side "reaffirmed the need for vigorous discussions in July and August...With September in mind as a threshold" for paving the way in the 11 items, including the closely watched relocation of a heliport in the U.S. Marines' Futenma airfield.

Akiyama called for an early resolution in light of domestic schedules such as the deadline for budget request at the end of August and a September referendum in Okinawa over U.S. military presence in the prefecture, the official said.

He said the two nations have already resolved several of the 11 items involving relocation, and the Japanese Defense Agency will soon begin consultations over those issues with the Okinawa prefectural government.

But the official conceded that the Futenma relocation remains unresolved as the major controversial issue that could even hamper the overall agreement on consolidating and reducing U.S. bases in Okinawa.

The return of the Putenma airfield is the centerpiece of an 11-item "interim" agreement reached by Tokyo and Washington in April to reduce the land occupied by U.S. military facilities in Okinawa by about 20 percent.

The two nations established a joint action committee on Okinawa issues last November seeking concrete measures within a year, following the rape of a local schoolgirl in Okinawa by three U.S. servicemen that triggered nationwide calls for reduction in the heavy U.S. military presence.

About 75 percent of all land used by the U.S. military in Japan is concentrated in Okinawa, which accounts for only 0.6 percent of Japan's total land areas.

Japan: LDP Mission To Seek Breakthrough in Okinawa's Base Problems

OW1007141496 Tokyo ASAHI SHIMBUN in Japanese 10 Jul 96 Morning Edition p 7

[FBIS Translated Text] The Liberal Democratic Party [LDP] plans to send a delegation to Okinawa on 18 July on a mission to help restore the party's relations with the Okinawa Prefectural Government [OPG] which have been frayed over problems related to U.S. military bases on Okinawa. The delegation will consist of LDP officials, including Hiromu Nonaka, the party's acting secretary general.

The LDP hopes to lay the groundwork for breaking the deadlock over the issue of forced use of land for military purposes by, among other ways, having measures to promote Okinawa's development reflected in the next fiscal budget requests, in consideration of the OPG's wishes. The role of Nonaka and his group will be that of an "advance party," as LDP Secretary General Koichi Kato plans to visit Okinawa in August to present an explanation to Okinawa Governor Masahide Ota and other OPG officials.

Japan: SDP Policymaker Ito Interviewed on Okinawa Base Issue

OW1107093996 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Jul 96 Morning Edition p 2

[Interview with Shigeru Ito, Social Democratic Party vice president and Policy Board chairman, with NIHON KEIZAI SHIMBUN editor Hisayoshi Ina; place and date not given]

[FBIS Translated Text] [Ina] The Social Democratic Party [SDP] has changed its security policy from when it was called the Social Democratic Party of Japan [SDPJ]. However, I have an impression that the SDP's "soul" has not changed.

[Ito] I think that the policy conversion produced some good and some bad. The good is that the party had to start over by accepting reality as one of its members became prime minister. It was a change from the times when the SDP was always an opposition party. On the other hand, however, we became too tolerant in the way things were and lost future-oriented views to deal with the post-Cold War era. It made it look like the only thing the SDP did was accept the Japan-U.S. Security Treaty and the Self-Defense Forces.

[Ina] How does your party intend to solve the U.S. base problems on Okinawa?

[Ito] With the plan to eliminate all bases in the next 20 years by 2015, at the same time, Okinawa launched a concept to build international cities for its economy and society. We highly evaluate Okinawa's vision. The Okinawa problem is a symbolic one when considering future Japan-U.S. relations, the security treaty, Asia, and the whole world.

[Ina] If the Okinawa bases problem is that important, why does not party head Tomiichi Murayama visit Okinawa or the United States to try persuasion himself? Some people say that the SDP is irresponsible, even though it is a ruling party.

[Ito] Aside from the party head, I myself often engage in frequent exchanges with not only the SDP Okinawa chapter but also Okinawa prefectural government officials. I understand very much the Okinawan people's feelings that they have been ignored [by mainland Japan] concerning the bases issues in the past 50 years. Therefore, the government must say that it will take seriously Okinawa's action program for the bases return (by 2015). Then, a point of the issue would become how to deal with the 20-year transition period. Nobody believes that it will go so far as to eliminate Kadena Air Base. I think that mutual understanding is possible through a realistic approach.

[Ina] Does it satisfy the Okinawan people?

[Ito] I believe it does. Of course clarifying the direction is a precondition for this. To say that special legislation is necessary to continue having U.S. bases on the island is too narrow-minded of an argument.

[Ina] Do not think about something unpleasant. Is that what the government is doing?

[Ito] As far as I know, Prime Minister Ryutaro Hashimoto and Chief Cabinet Secretary Seiroku Kajiyama seem to be pondering what options are available.

For example, measures (to speed up land expropriation procedures) should be limited and applied to 3,000 landowners only; in case the Okinawa governor undertakes proxy signing, the legislative revision should be limited to cutting administrative procedures; or the local autonomy law should be reviewed to grant the central government authority to deal with the bases, diplomacy, and defense issues [which involve local governments] because such issues should be handled through central government decisions. These appear to be the plans they are considering.

As for Okinawa, it asks for economic promotion programs. To answer its call, legal and financial action should be taken first to develop the tax-free zone, which Okinawa started on a small scale, into as big as the ones in Hong Kong and Singapore. I think this is the main thinking of the prime minister's office and the ruling parties.

[Ina] A ruling party delegation is scheduled to visit the United States in September.

[Ito] We are now considering the U.S. visit in a positive manner. Okinawa will conduct a prefectural referendum on 8 September, and the Supreme Court will hand down a ruling over the Sobe communications site proxy signing dispute. Prime Minister Hashimoto will deliver a speech at the UN General Assembly in late September and the Japan-U.S. summit may be held before that. September will be an extremely difficult month. It will certainly become a delicate problem in connection with the dissolution of the lower house to hold general elections.

However, sending the delegation or not should be decided in July. If something comes up and the U.S. visit should be called off, that means the ruling parties would still be having discord even before the extra Diet session is convened.

Japan: Business Executives Group on Security Issues

OW1107093896 (Internet) Keizai Doyukai WWW in English 8 April 96

[From the "Database" link]

[FBIS Transcribed Text]**Report of the Study Group on Security Issues**

April 8, 1996

Keizai Doyukai (Japan Association of Corporate Executives)

Study Group on Security Issues

This report was compiled by the chairman of the Study Group on Security Issues of Keizai Doyukai and is based on the Study Group discussions. Considering the importance of the report, the Executive Board of Keizai Doyukai has decided to make it available to the public. We hope it serves as a reference to stimulate further discussion of these issues among not only members of Keizai Doyukai, but among all segments of Japanese society as well. Using this report at a reference point, Keizai Doyukai will continue discussions on security issues and we plan to make proposals on the results of these discussions.

*This report has been translated from Japanese for the convenience of non-Japanese speaking readers. It should be born in mind that the translation has NOT been authorized though the institutional approval procedures of the Keizai Doyukai.

FORWARD

In the post-Cold War world, there have been frequent eruptions of regional and civil conflict, and the world is neither more stable nor peaceful than it was during the Cold War. There is increasing risk of civil war or regional conflict in many areas around the world that do not involve the great powers as they did during the Cold War.

The international environment surrounding Japan certainly cannot be taken lightly either. The worsening of the political and economic situation in North Korea and heightened tensions between China and Taiwan over presidential elections in the latter are serious concerns. Domestically as well, Japan has had its share of problems as a result of the Great Hanshin-Awaji Earthquake, and the sarin subway gas attack. There are other major political issues such as the redefinition of the U.S.-Japan Security Treaty and the reevaluation of the Status of Forces Agreement following the rape of an Okinawa schoolgirl by U.S. servicemen.

In light of these circumstances both at home and abroad, the Study Group on Security Issues has carried out its activities based on Keizai Doyukai's plan for fiscal 1995. The group's purpose is researching and studying the path Japan should take on security issues in light of changing international situations.

This study group consists of 44 members of Keizai Doyukai, mainly corporate executives interested in these issues. The Vice Chairmen are Bunichiro Shimura (Chairman, Denki Kagaku Kogyo Kabushiki Kaisha), Shijuro Ogata (Senior Advisor, Yamaichi Securities Co., Ltd.) and Tatsuo Asakura (Chairman of the Board, Japan Synthetic Rubber Co., Ltd.). The adviser is the Honorable Hisahiko Okazaki (Senior Adviser, Hakuhodo Incorporated), former Japanese Ambassador to Thailand.

This report continues the work conducted during fiscal 1994 under the chairmanship of Ryuzaburo Kaku (Chairman of the Board and Chief Executive Officer, Canon Inc.). We added the views of foreign opinion leaders familiar with Japanese security issues and thoughts of Japanese experts on what would happen during actual crisis situations. As a result, we presented the following as the most important issues concerning security that we would like members of Keizai Doyukai to discuss:

1. Establishment of a proactive diplomacy and a comprehensive defense policy

2. Redefinition of the U.S.-Japan security system
3. Reinterpretation of the exercise of the right of collective self-defense
4. Greater flexibility of the Three Principles of Arms Exports
5. The position of the United Nations in Japanese diplomacy (How to utilize the UN more realistically)

In addition to these issues, we hope there is further discussion on constitutional reform.

I would like to express my deep appreciation to all who came to Japan to speak with our study group, the individuals in Washington DC who spoke with us, and everyone involved in the activities of this study group for taking time out of their busy schedules to help create this report.

Toru Kusukawa

Chairman, Study Group on Security Issues

Chairman, Fuji Research Institute Corporation

Table of Contents

I. Introduction

II. Current International Affairs and National Security
III. Some Issues Which Need to be Resolved IV. Conclusion

I. Introduction

The optimistic view that the end of the Cold War between the United States and the Soviet Union would create a new international order and bring world peace has waned. Many regional conflicts and internal struggles have erupted, including the Gulf War five years ago, civil war in Somalia and Rwanda more recently, and prolonged conflict in the former Yugoslavia. As a result, there are few indications that the world has become more stable or peaceful than it was during the Cold War era. In fact, there is greater potential for internal wars or regional conflict than there was during the Cold War. At the same time, problems such as the environment, resources, energy, food supply and epidemics are becoming increasingly important as medium-to long-term global issues. It is possible that these problems, in particular conflicts over resources and energy, could develop into security issues involving military actions in the near future.

The international environment around Japan is also a cause for concern. The growing seriousness of suspected nuclear arms development and the worsening politico-economic situation in North Korea, and heightened tensions between China and Taiwan over Taiwan's presidential elections give no reason for optimism. Domestically, too, Japan's crisis management system is being questioned in the aftermath of the Great Hanshin-Awaji Earthquake and the subway sarin gas attack. Furthermore, the rape of a Japanese schoolgirl in Okinawa by US servicemen has led to a number of problems, including calls for a redefinition of the U.S.-Japan Security Treaty, a reevaluation of the Status of Forces Agreement, and a questioning of the inequality of the defense burden between the United States and Japan, as well as between Okinawa and mainland Japan.

Up until now, there has not been a great deal of debate on Japan's national security policy. This has been due to our historical experiences, to the so-called "Peace Constitution" and to the relative peace enjoyed since becoming an independent nation again after World War II. The only debate has been whether certain security issues violated the Constitution or not; there has been no intensive discussion on security policy itself.

In light of recent changes both at home and abroad, the time has come for us corporate executives, while not experts on defense, to think about these issues. In other words, it has become difficult for corporate executives to formulate a vision for the future without considering these issues because security is vital to our livelihood. We have been making constant efforts to create "A Nation Conceived upon International Collaboration and Humanism" and "A Nation Based on the Principles of a Civil Society" founded on the ideals of the Japanese Constitution: "liberty, democracy, human rights and peace." We are trying to be in other words, "A New Peace-Promoting Nation." We believe the maintenance of a free capitalist system based on a market economy is a prerequisite for our existence. As Japanese citizens, it is our duty to uphold these universal values along with other people of the world who share them, and these values form the context in which security issues need to be debated and understood. In order to maintain and improve ties with other countries, especially with the United States, mutual understanding of where we stand on this issue is essential.

In this report, our study group continued the work of last year's (fiscal 1994) Study Group on Security Issues (Chairman: Ryuzaburo Kaku, Chairman of the Board and Chief Executive Officer, Canon Inc.) and compiled our discussions on Japan's national security in light of recent changes in the international environment. This year, we asked foreign opinion leaders for their views on Japan's security, as well as Japanese experts for their thoughts on what would happen during actual crisis situations, such as an emergency in the Korean peninsula or China, or the renunciation of the U.S.-Japan Security Treaty. We focused on areas which are potential problems over the next five years.

The issue of national security is closely connected with Constitutional issues. These issues should have been addressed in this report as well, but as debate on the Constitution requires a great deal of time, we have not focused on it here. Instead, we have considered how Japan can realistically respond to a hypothetical change in the international situation which forces Japan to make some tough decisions. We hope that this report serves to stimulate the continuation of open and meaningful debate on the issue of national security, not just within Keizai Doyukai, but among all segments of Japanese society as well.

II. Current International Affairs and National Security Issues in Japan

1. Our Views of Current International Affairs and the International Environment around Japan

In the uncertainty of the present international situation, Japan needs to be fully aware of its role in the world. It must move away from a reactive style of diplomacy characterized by dependence on foreign pressure and passivity, and strive to implement a more proactive style of diplomacy in which Japan actively participates in creating a new world order. In order to move toward a desired international environment, Japan must address such issues through a diplomacy based on a firm set of beliefs about how the international environment should be.

i) Characteristics of Current International Affairs

The current state of international affairs is characterized by a mix of conflicting positive and negative elements; the future is very uncertain. Positive aspects include the globalization of the market economy, increasing interdependence and progress in regional economic cooperation. But there are also many unfavorable developments such as the increase of regional and internal conflicts involving race and religion, the tendency of advanced nations to focus inward on domestic issues, increased armament by developing nations and an increase in terrorist activities.

ii)The International Environment around Japan

The characteristic of international affairs described above can also be seen in the international environment around Japan. Positive developments include progress in regional economic cooperation through APEC and ASEAN, the deepening of economic interdependence and the move of socialist countries toward a market economy system. But the negative elements include, most notably, the existence of a socialist nation possessing nuclear weapons and a divided nation. These two sub-regions have been pointed out by foreign opinion leaders as the two most important areas to watch in Asia, and it is a well-known fact that tensions there are rising.

2. The Status and Problems of Security in Japan

During the Cold War, there was a strong tendency for most states to give priority to political and national security issues. But because of Japan's historical experience of defeat in World War II and its economic situation at the time, Japan has kept defense at the minimum necessary level, while relying heavily upon the United States for its national security and giving economic concerns the highest priority in governing the country. For this reason, debate on national security has not focused on the essential issues, but rather has been made into a theological problem, limited to abstract debates on "constitutional reform" and "constitutionality." Those wishing to maintain the present Constitution have been the mainstream and have limited security issues to what is permitted within the constraints of the Constitution, instead of discussing the necessity of security itself. Even though many problems with the Constitution have been pointed out, there has been a tendency to label any mention of reevaluating or amending the Constitution as militaristic.

Although there have been some signs of change in discussions of security issues, there has not been much discussion on how to guarantee Japanese security except among some intellectuals and journalists. It is hoped that there will be responsible, continued debate in the Diet on this issue.

3. The View from Foreign Opinion Leaders

As was mentioned in the introduction, this study group asked a number of foreign opinion leaders for their thoughts on Japan's national security. Their thoughts are summarized below.

1) The areas which are the greatest security concerns in East Asia are the Korean peninsula and the tension between China, a nuclear power, and Taiwan.

2) When considering the potential instability resulting from situations in the Korean peninsula and China, the U.S.-Japan Security Treaty is extremely important and must be maintained. This is because U.S.-Japan security is important for peace and stability not only between the United States and Japan, which share common values such as democracy, but also for the Asia-Pacific region as a whole.

3) Japan, with its economic strength, should and is obligated to play a more active role in the international arena, including security areas.

4) With advanced nations increasingly becoming inward-looking and focusing on domestic issues, both the United States and Japan, especially Japanese leaders, need to demonstrate strong political will. Regarding the relationship between Japan's role in security areas and the Constitution, many felt it was possible for political leaders to use their leadership to reinterpret the Constitution to allow Japan to play a larger role in security areas.

These comments from overseas indicate that Japanese diplomatic efforts in the post-Cold War era, especially in the security field, are insufficient considering Japan's status as an economic super power. In domestic discussion Japan's role is debated in terms of international contribution, but its role is seen as an international obligation, not contribution, in the eyes of people from other countries. This shows that a perception gap exists between Japan and other countries of the world.

III. Some Issues Which Need to be Resolved

When considering security issues, Japan needs to be fully aware that the maintenance and development of its scope and affluence as the world's second-largest economic power is reliant on the rest of the world. In other words, there will be no Japanese prosperity without world peace. Aware of this fact, Japan should consider all the options available and strive to create the most appropriate security system for the current situation. To achieve this, a comprehensive security strategy is needed. Japan should play an active, independent role in global disarmament efforts, including the reduction of nuclear and conventional weapons, and the peaceful resolution of international conflicts.

We corporate executives, who are not security experts, cannot create or hold debate on a comprehensive security strategy by ourselves, but what we would like to do here is to make some suggestions for issues that need to be resolved in security at the national, regional and global levels. These three levels, centering on national security, need to be complementary. Thus Japan should create a collective system which connects us to other countries with similar values.

1. National Security

Regarding security issues at the national level, we hope that discussion on the Constitution by the people of Japan is held as soon as possible. In that discussion, substantive debate on the issue of national security is important. We urgently need to review existing laws and introduce new legislation to deal with national security issues. During these discussions, it is important to stand by our ideals and maintain and improve relations with other nations, particularly with the United States, that share those ideals. Japanese people must not underestimate the extremely important role played by the U.S.-Japan security system in our country's peace and prosperity. There is a need to reevaluate the U.S.-Japan security system, and to rectify its one-sided nature, while recognizing the continued importance of the U.S.-Japan security relationship in the future.

1)Evaluation and Issues of the U.S.-Japan Security System

The U.S.-Japan security system has contributed to the security of Japan and regional stability in Asia. As a result, Japan has been able to concentrate its resources in the economic sector, which is one reason for its remarkable economic growth. A number of people are questioning the relevance of the security system in the post-Cold War era, however, and it is important at this time to redefine its purpose. The purpose of the U.S.-Japan security system is threefold: (1) to defend Japan; (2) to eliminate fears of East Asian countries by preventing Japan from becoming too dominant; and (3) to contribute to the peace and prosperity of the Asia-Pacific region and the world.

Last November, the Japanese Cabinet decided on the New Defense Guidelines and a New Mid-term Plan for Defense, which took into account the international environment in the post-Cold War era. These plans form the basis of Japan's national security system and policy. In these plans, the U.S.-Japan Security Treaty remains the core of Japan's defense policy, and the New Defense

Guidelines state that, "the security system with the United States is indispensable to Japan's security." In addition, it takes a bolder step than the previous Defense Guidelines in stating that, "if a condition arises in the region surrounding Japan that may seriously threaten Japan's peace and security, we shall respond by offering appropriate support to the activities of the United Nations as necessary, and ensuring the smooth and effective operation of the U.S.-Japan security system in accordance with the Constitution and related laws." The most important unresolved issue is whether Japan can exercise its right of collective self-defense.

The Japanese government has presented the following view regarding its right of collective self-defense: "According to international law, a nation shall have the right of collective self-defense, in other words, the right to repel with force a military attack on a foreign nation with which it has close ties, even if the nation itself is not directly attacked. As a sovereign nation, Japan possesses the right of collective self- defense as acknowledged in international law, but the exercise of our right of self-defense under Article 9 of the Constitution is interpreted as the minimum necessary to defend our nation. Because the exercise of the right of collective self-defense goes beyond that interpretation, it is, in our view, not permitted under our present Constitution."

We do, however, hope to maintain and improve our ties with the United States, a country with which we share common values. As long as both the United States and Japan share a mutual recognition of their interests in the peace and prosperity in the Asia-Pacific region, we believe that the U.S.-Japan security system should be maintained. Therefore, we believe that the time has come for the government to reconsider its interpretation on the exercising of the right of collective self-defense, a right possessed by all countries as acknowledged in international law. At the very least, political leaders should have the authority to decide whether it is appropriate to carry out support activities for military operations.

Furthermore, we believe that restrictions stipulated in the Three Principles of Arms Exports should be relaxed for nations which are friends and allies of Japan and can be trusted with the use of such arms.

2) U.S. Forces Stationed in Japan (especially Okinawa)

The rape of a young schoolgirl by U.S. marines in Okinawa Prefecture, where 75% of U.S. bases in Japan are located, raised anew the question of the division of the security burden in Japan. The security burden with the United States has taken the form of host nation support, but for the residents of Okinawa, the Japanese central government and Japanese citizens not living in Okinawa have been negligent in their efforts to share the burden.

We believe the issue of military bases in Okinawa should continue to be addressed in order to ensure a fairer distribution of defense burdens within Japan, while keeping in mind the importance of the bases and the necessity to use them should Japan's security be threatened.

3) Self-defense Capability and the Defense Industry

As noted in the New Defense Guidelines, introducing high technology and streamlining are essential to improve the efficiency and mobility of our self-defense capability. The Japanese government should consider means to ensure that Japan is not overly dependent on foreign countries for defense-related supplies, and, at the same time, it needs to come up with a clear vision and direction on the future of the defense industry which involves about 3000 companies of all sizes. If the government can establish policies to deal with these matters, the defense industry can restructure itself while maintaining its technological and productive capabilities.

2. Regional Security

Japan's security depends on its own self-defense capability and the U.S.-Japan security system. The Asia-Pacific region lacks a collective security system in the strict sense. The ASEAN Regional Forum (ARF) is an important framework for promoting mutual understanding of member nations through regional security related exchange of opinions, information and personnel. However, if a military conflict arises in the region, the ARF has no force to act, so in that sense, it is not a full-fledged collective security system.

Although it would be extremely difficult to create a framework for collective security in the Asia-Pacific or even in East Asia in the near future, it is important to consider mechanisms to promote regional security.

3. Global Security

Compared to collective security arrangements in the Asia-Pacific region, the global system of collective security centered around the United Nations is more formally established. As long as permanent members of the Security Council do not exercise their right to veto a resolution, the United Nations can undertake peacekeeping activities or use force against a member nation that has violated the UN Charter.

There is a tendency for Japan to view the United Nations as sacred and its actions as ultimately legitimate. The organization is, however, an aggregate of sovereign nations and its functions are by no means perfect. For example, if a permanent member was involved in a conflict, the United Nations would be powerless to act because that permanent member would undoubtedly use its right to veto any resolutions to which it objected. Thus, one cannot deny that the organization has its limitations, but if these limitations are recognized, the United Nations does serve a purpose. It must be realized that participation in the United Nations is a means that each member nation uses for its own agenda.

Based on the recognition of these facts about the United Nations and an understanding of what it can and cannot do, Japan must participate in the United Nations while considering how to use it for Japan, for the Asia-Pacific and for solving global issues.

Currently, there is a move to reform the United Nations. We hope that substantial progress is made in the reform efforts and that they reflect a diverse set of values.

If Japan becomes a permanent member of the Security Council, Japan needs to be prepared to pass its own judgment on issues involving sharp conflicts of interest, and be willing to accept the consequences of such decisions. Actions following these decisions must be based on firm beliefs and values in a way that is supported by as many people as possible, not only in Japan but also throughout the world. If the United Nations is going to be one pillar of Japan's diplomacy, this type of awareness and understanding is essential.

IV. Conclusion

There is a great deal of instability in the post-Cold War world. We recognize that in the past, many Japanese have avoided direct discussion of what needs to be done to maintain our ideals, to guarantee the safety of the Japanese people and to ensure world peace and prosperity. Based on this recognition, we compiled this report with the hope that members of Keizai Doyukai, as well as all segments of Japan, will individually and objectively consider security issues for both Japan and the world as a whole.

Security is not composed of only military aspects. If economic problems remain unresolved, then security problems cannot be solved either. It is, however, unrealistic to consider security issues while ignoring their military dimensions. We are very much aware of the need for Japan to maintain and enhance ties with other nations that share common values, particularly the United States. Japan must endeavor to make the security relationship with the United States a more balanced one. Emphasizing the centrality of the U.S.- Japan security system, Japan should also make constant efforts to use or create a framework for security at the regional and global levels, and strive to eventually coordinate these three levels.

Needless to say, Japan should not choose to become a military super power and Japan should not take an unrestrained stance on security issues with a military aspect. There is the possibility of harming ourselves or others in the name of protecting ourselves. We must always keep in mind the seriousness of security issues. At the same time, we must be aware that there are some people who risk getting hurt or dying for the people of other countries and for maintaining the peace and prosperity of the world. Each and everyone of us should not avoid, but rather sincerely accept this solemn truth. We all must ask ourselves what is worth risking human lives to protect.

Based on these ideas, we need to take the initiative in selecting the most appropriate policies and acting on them.

Japan: Article Views Anthony Lake's Visit to PRC

OW1107074996 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 Jul 96 Morning Edition p 8

[By Hiroyuki Akita]

[FBIS Translated Text] Beijing, 9 Jul — It has become clear that the reconciliation process between the United States and the PRC, whose bilateral relations have been in disarray due to their disagreement over the Taiwan issue, is underway.

U.S. presidential assistant (in charge of national security) Anthony Lake, who is visiting China, held meetings with Chinese leaders on 8 and 9 July. They confirmed the principle of promoting strategic dialogue and building stable relations. The two countries will probably take active steps now to lay the groundwork for realizing an exchange of visits between the heads of state of the two countries through meetings between their foreign ministers.

The greatest achievement of Lake's visit to China is that he realized a cabinet class visit to Beijing from the U.S. Government for the first time in 21 months, and set the course for promoting dialogue at the summit level. At his meeting with PRC President Jiang Zemin, Lake called for "strategic dialogue between top leaders" covering the overall international situation.

In response, Jiang said: "The United States and China should handle bilateral relations from a grand strategic standpoint for the 21st Century, and establish a sound and stable relationship." He indicated a keen interest in promoting dialogue.

With regard to the holding of regular summit meetings, as suggested by Secretary of State Warren Christopher, the PRC Government said that, "frequent contacts between the leaders will contribute to developing deeper understanding" (according to a senior PRC Foreign Ministry official). It shows a positive attitude to this proposal. The two countries may well reach concrete agreement at the bilateral foreign ministerial meetings to be held in Jakarta in July, and in New York in September.

The key issue now is the timing for an exchange of visits between U.S. President Bill Clinton and Jiang Zemin next year. It seems that the United States plans to send Vice President Al Gore to visit China in early 1997 as an "advance party," to be followed by Clinton's visit. China also emphasized that, "if the United States will accept Chairman Jiang Zemin as a state guest, the chairman wishes to make a visit."

Cabinet level exchanges on military issues, which have been suspended since Taiwanese President Li Teng-hui's visit to the United States in June 1995, have, in reality, been resumed with the meeting between Lake and Defense Minister Chi Haotian. According to a diplomatic source in Beijing, a schedule for Chi's visit to the United States will be decided soon.

Lake exchanged views with the Chinese side on the strengthening of the Japan-U.S. security alliance, over which the PRC has been apprehensive. In the future, if dialogue between the United States and the PRC on Asian security issues gains momentum, this will contribute to regional stability.

Lake will leave for Shanghai on 10 July, where he will meet with Chairman Wang Daohan of the Association for Relations Across the Taiwan Strait, the organization in charge of exchanges with Taiwan, to exchange views on PRC-Taiwan relations.

Japan: Spokesman on Russian Election, Other Issues

OW1007133596 (Internet) Japanese Ministry of Foreign Affairs WWW in English 5 Jul 96

[News conference by Japanese Ministry of Foreign Affairs spokesman Ken Shimanouchi with unidentified reporters on 5 July; place not given; from the "What's New" link]

[FBIS Transcribed Text] [Topics of Discussion] I. Announcements

A. Presidential Elections in the Russian Federation

B. Visit of Minister for Foreign Affairs Yukihiko Ikeda to Bosnia and Herzegovina II. Japan-Russian Federation Issues III. Visas for Foreign Nationals in Japan IV. Donor's Conference for Cambodia

I. Announcements

A. Presidential Elections in the Russian Federation

Foreign Ministry Spokesman Ken Shimanouchi: Before I take your questions, I would like to very briefly discuss the Russian Federation presidential election. Then, I would like to discuss the recent visit by Minister for Foreign Affairs Yukihiko Ikeda to Bosnia and Herzegovina. I think you have in front of you the statement made by Prime Minister Ryutaro Hashimoto yesterday regarding the result of the presidential election in the Russian Federation. I will give you a summary of what the statement says. In the statement, Prime Minister Hashimoto refers to the high voter turnout and the fact that the election was held in a free and fair manner. Prime Minister Hashimoto goes on to say that he holds this in high regard as a manifestation of progress in democratization in the Russian Federation. In the next paragraph he refers to the efforts that President Boris Yeltsin of the Russian Federation has been making to move forward reforms in the Russian Federation and also refers to the results that these reforms have achieved. Prime Minister Hashimoto expresses the hope that President Yeltsin will continue to exercise leadership in moving forward the political and economic reform in the Russian Federation. Then, Prime Minister Hashimoto refers to Japan's relations with the Russian Federation. Prime Minister Hashimoto mentions the talks he held with President Yeltsin at the time of the Summit on Nuclear Safety and Security in Moscow in April in which the two leaders reaffirmed that Japan and the Russian Federation would further develop their ties based on the Tokyo Declaration of October 1993. Prime Minister Hashimoto underscores the fact that this is the 40th anniversary of the restoration of diplomatic ties between the Japan and the Russian Federation and expresses his resolve to make further efforts to develop Japan-Russian Federation relations, including the solution of the territorial issue. Prime Minister Hashimoto also expresses the hope that the Russian Federation will address this issue seriously. That is Prime Minister Hashimoto's statement on the presidential election in the Russian Federation.

B. Visit of Minister for Foreign Affairs Yukihiko Ikeda to Bosnia and Herzegovina

Foreign Ministry Spokesman Ken Shimanouchi: Minister for Foreign Affairs Yukihiko Ikeda had meetings with President Alija Izetbegovic, Prime Minister Hasan Muratovic, and Minister for Foreign Affairs Jadranko Prlic of Bosnia and Herzegovina. I will tell you what was discussed between Foreign Minister Ikeda and President Izetbegovic. Foreign Minister Ikeda told President

Izetbegovic about the discussions held at the Lyons G-7 Summit concerning the peace process in Bosnia and Herzegovina. Foreign Minister Ikeda told President Izetbegovic that there was agreement on three points. The first point was that the primary responsibility for the implementation of peace rests with the Government of Bosnia and Herzegovina and its people. The second point that Foreign Minister Ikeda mentioned was that adherence to the peace agreement was most important. Then, Foreign Minister Ikeda mentioned more specifically the need to hold elections as scheduled and to make these elections a success. He also referred to the need to improve conditions for holding these elections, such as ensuring the freedom of movement and the freedom of the press, among other things. He also mentioned that it was important that Bosnia and Herzegovina maintain unity. The third point that Foreign Minister Ikeda mentioned was that the G-7 countries were prepared to extend aid to Bosnia and Herzegovina if the terms of the peace agreement were adhered to. Then Foreign Minister Ikeda discussed Japan's assistance for Bosnia and Herzegovina. He referred to the Donor's Meeting held in Brussels earlier this year. Foreign Minister Ikeda said that in this meeting Japan pledged to give at least US$130 million dollars to Bosnia and Herzegovina in 1996, and US$500 million dollars over the next four years. Foreign Minister Ikeda also said that a quarter of the contribution for 1996 had been disbursed already. Foreign Minister Ikeda said that although Japan, in geographical terms, was far away from Bosnia and Herzegovina, Japan has very keen interest in the situation there. Foreign Minister Ikeda said that Japan was well aware of how useful support from the international community can be, because half a century ago Japan had risen from ashes, and was reconstructed with foreign assistance.

In response to this, President Izetbegovic thanked Foreign Minister Ikeda for Japan's assistance to Bosnia and Herzegovina. With regard to the three points agreed to in the G-7 Summit, President Izetbegovic said he would work very hard to address these issues. President Izetbegovic also said that he was determined to implement the peace agreement. With regard to elections, President Izetbegovic said that the Government of Bosnia and Herzegovina planned to hold elections as scheduled. President Izetbegovic said that he himself was prepared to assure that the elections would be free and fair. President Izetbegovic also attached importance to the support given at the G-7 Summit for the unity of Bosnia and Herzegovina. In response, Foreign Minister Ikeda said that, although he was aware that realizing peace was a very difficult task, he hoped that peace would be brought about under the leadership of President Izetbegovic. This was what was discussed in the meeting.

Those are the announcements that I wanted to make, and I will be delighted to respond to any questions that you might have.

II. Japan-Russian Federation Issues

Q: Regarding the presidential elections in the Russian Federation. Did Prime Minister Hashimoto himself send any kind of telegram to President Yeltsin?

A: Not that I am aware of. I understand that the official result has not been announced yet. However, he made this statement in view of the fact that, as of yesterday, 90 percent of the returns were in, and that it was a certainty that President Yeltsin would win the election.

Q: What kind of steps does Japan want to take concerning a political dialogue with the Russian Federation in the near future?

A: There is agreement between the top leaders of the two countries regarding how to proceed with political dialogue. In April, as Prime Minister Hashimoto mentioned in his statement yesterday, he met President Yeltsin in Moscow, where the two leaders reaffirmed that Japan and the Russian Federation would develop ties based on the Tokyo Declaration of 1993. At that time, the two leaders also agreed that the peace treaty negotiations should be reactivated at the foreign ministerial level, and that to this end, a meeting of the sessions of the peace treaty working group at vice ministerial level should be resumed. More recently in Lyons, Foreign Minister Ikeda met with Minister of Foreign Affairs Yevgeniy Maksimovich Primakov. In this meeting, Foreign Minister Ikeda underscored to Minister of Foreign Affairs Primakov the importance of moving forward the bilateral ties along the lines of the agreement reached by Prime Minister Hashimoto and President Yeltsin in Moscow. Foreign Minister Ikeda also underscored the importance of addressing the territorial issue and not to shelve it. In response to this, Minister of Foreign Affairs Primakov told Foreign Minister Ikeda that he would like to make efforts to move closer toward a conclusion of a peace treaty. The two leaders also agreed to meet again at the time of the ASEAN Regional Forum (ARF) Meeting in Jakarta later this month. So the two leaders will be holding further discussions in Jakarta.

Q: Do you have any idea how soon the working group on the peace treaty will meet together?

A: That has not been decided yet.

Q: The idea of giving any territories back to Japan is extremely unpopular in the Russian Federation due to a rise in majority sentiment. Even President Yeltsin himself recently stated that the Russian Federation does not need to be giving territory to other countries. What kind of attitude does the Foreign Minister of Japan have towards this kind of sentiment in the Russian Federation?

A: The position on this issue is as I have explained to you. There is agreement between the two sides that we should develop bilateral ties between Japan and the Russian Federation on the basis of the Tokyo Declaration of 1993. We believe that efforts should be made by the two sides along the lines of this common understanding between the leaders of the two countries. Since this is the 40th year of the resumption of diplomatic ties between the two countries, we believe that it is important that we make utmost efforts to conclude a peace treaty, resolve the territorial issue, and fully normalize the ties between the two countries.

Q: Did the Foreign Minister of Japan try to dissuade officials from making a visual inspection of the Northern Territories?

A: I do not recall any such event. But, there is no problem with a visual inspection of the Northern Territories made from Hokkaido. However, visits by Japanese to the Northern Territories have to be carried out in a way that would not undermine our position on the territorial issue.

Q: My understanding is that recently the dialogue between Russia and Japan on security matters has become much more active. Do you foresee any steps such as inviting Alexander Lebed to Japan?

A: There has been intensification of security dialogue between the two countries. When Foreign Minister Ikeda visited Moscow in March the two sides agreed that a dialogue would be held at the level of Defense Ministers. As you know, the Director-General Hideo Usui of the Defense Agency visited Moscow — I think it was in April — for discussions with his counterpart in the Russian Federation. We think this dialogue was very fruitful and very significant in the context of the overall relationship between the two countries. I am not aware of any plans for National Security Chief Alexander Lebed to visit Japan.

Q: Do you have any intention of inviting Alexander Lebed to Japan since he has become a very prominent figure in regard to security matters?

A: It is a little premature to discuss that because the new cabinet has not been formed yet. I understand that Prime Minister Viktor Chernomyrdin of the Russian Federation was re-appointed as Prime Minister in the new administration. But, we do not know who the rest of the members of the new cabinet will be. We will be following very closely developments in the Russian Federation in the days to come.

III. Visas for Foreign Nationals in Japan

Q: It has been reported that Argentinean star Diego Maradona is negotiating with certain teams to play soccer in Japan. One problem is his visa status. He does have a prior record of being arrested in regards to illegal drugs. This runs against the policy of Japan in terms of admitting foreign nationals. Do you have any information about his visa status?

A: Visa regulations in Japan, as in any country, are very complicated. It would take an expert to explain the specifics of the regulations. I am not aware of any plans for Mr. Maradona to make an application for a Japanese visa.

IV. Donor's Conference for Cambodia

Q: Next week there is a Donor's Meeting in Tokyo for Cambodia. I think there has been some discussion in Washington about some unhappiness about the reforms an political freedoms that have been occurring in Cambodia. As host of this Meeting on Cambodia, what is Japan's position on Cambodia?

A: Prime Minister Prince Norodom Ranariddh and Prime Minister Hun Sen, the two Prime Ministers of the Kingdom of Cambodia will be visiting Tokyo next week. They have slightly staggered schedules. They will be paying a courtesy call on Prime Minister Hashimoto. They will also be having a meeting with Foreign Minister Ikeda and members of political and economic circles. Then, they will be participating in the Donor's Conference for Cambodia, which will be co-hosted by Japan and the World Bank. Before this Donor's Conference, they will be attending an informal meeting on the overall situation in Cambodia.

Q: Does Japan have any intentions in these meetings to add conditions to current aid programs or to increase aid, and what are Japan's concerns and objectives at this conference? What will Japan be saying in this meeting? Will Japan come to this meeting with a specific message that it would like to convey?

A: It has been Japan's policy to support the reconstruction of Cambodia. We believe we have played a key role in this. We believe that this Donor's Conference, and this informal meeting will be an opportunity for the international community to give further impetus to the political, economic, and social development of Cambodia. We consider these meetings to be very important from this perspective. We are still working on the initiatives that will be discussed at the Conference.

Q: Will there be a press conference held by either the two prime ministers or by Japanese officials as host of the conference?

A: I will check and get back to you on that. Thank you very much.

Japan: Decision Delayed on Hashimoto Attending Yeltsin Inaugural

OW1107060296 Tokyo KYODO in English 0453 GMT 11 Jul 96

[FBIS Transcribed Text] Tokyo, July 11 KYODO — Prime Minister Ryutaro Hashimoto's decision on whether to attend reelected Russian President Boris Yeltsin's inauguration ceremony next month will depend on information from Moscow if the premier is in fact invited, a top government spokesman said Thursday.

"We will deal with the issue after Russia reveals its plans," Chief Cabinet Secretary Seiroku Kajiyama said.

Russia has apparently set the ceremony for Aug. 9 and extended invitations to leaders from former Soviet republics, but has not invited Japanese or other leaders from outside the Commonwealth of Independent states, Kajiyama said.

Hashimoto voiced hope Tuesday of attending the ceremony, but Wednesday ruled out going to Moscow on Aug. 9 because it will be the 51st anniversay of the then Soviet Union breaking a bilateral nonaggression pact with Japan.

Yeltsin was reelected in a July 3 presidential runoff, beating Communist Party leader Gennadiy Zyuganov.

Tokyo Hosts International Conference on Aid to Cambodia

OW1107025296 Tokyo KYODO in English 0200 GMT 11 Jul 96

[FBIS Transcribed Text] Tokyo, July 11 KYODO — A conference of international donors opened here Thursday to discuss Cambodia's request for an additional $940 million for economic reconstruction.

The two-day meeting, co-chaired by the Japanese Government and the World Bank, brought together representatives of 16 countries and five international organizations.

The consultative group is the successor of the international committee on the reconstruction of Cambodia, which organized pledges of support for the Indochinese country after a general election was held there in may 1993 under UN supervision.

The Cambodian delegation is led by first Prime Minister Norodom Ranariddh and second Prime Minister Hun Sen.

The meeting will focus on mid- to long-term "intellectual assistance" for nation-building, such as the creation of a functioning legal system, rather than on basic humanitarian needs.

Japan: Ikeda Meets Cambodian Premier, Pledges Aid

OW1107075496 Tokyo KYODO in English 0650 GMT 11 Jul 96

[FBIS Transcribed Text] Tokyo, July 11 KYODO — Japan will pledge 8 to 10 billion yen in economic aid to Cambodia on Friday at the end of a two-day International Donors' Meeting in Tokyo, Foreign Minister Yukihiko Ikeda said Thursday.

He made the comment during a luncheon with Cambodian First Prime Minister Norodom Ranariddh, a Japanese Foreign Ministry official said.

The Japanese aid will consist of a 2 billion yen grant not tied to a particular project as well as other grants and technical assistance, the official said.

Ikeda and Cambodian Foreign and International Cooperation Minister Ing Huot exchanged notes on the 2 billion yen assistance — Japan's third nonproject grant to Cambodia since fiscal 1993 — in Tokyo earlier in the day.

Ikeda also told Prince Ranariddh that Japan will offer $2.5 million for 1996-1997 for the clearing of land mines still buried in the countryside that kill and maim thousands of Cambodians every year, the official said.

The sum will be part of assistance for such work from the international community worth $16 million for the two-year period, according to the official.

The International Donors' Conference, co-chaired by the Japanese government and the World Bank, brought together representatives of 16 countries and five international organizations.

Discussion will center around Phnom Penh's request for an additional 940 million dollars for reconstruction of the countryside.

The consultative group is the successor to the international committee on the reconstruction of Cambodia, which organized pledges of support for Cambodia after a general election was held there in May 1993 under UN supervision.

The Cambodian delegation is led by Prince Ranariddh and Second Prime Minister Hun Sen, who was absent from the luncheon meeting with Ikeda for health reasons.

Prince Ranariddh told Ikeda that the Khmer Rouge guerrilla group is isolated from ordinary Cambodian people and no longer poses a threat, the official said.

Referring to nationwide local elections scheduled for 1997 and general polls for 1998, the Cambodian first premier expressed hope for international help to hold the elections in a free and fair fashion, the official said.

Specifically, the Prince sought the dispatch of UN election monitors to Cambodia at the time of the two polls, according to the official.

Japan: Tunisian President Arrives for Visit

LD0907131196 Riyadh SPA in English 1247 GMT 9 Jul 96

[FBIS Transcribed Text] Tunis, July 9, SPA — Tunisian President Zine El Abidine Ben Ali arrived here today on a four-day visit to Japan in response to an invitation from Japanese Emperor Akihito.

While in Tokyo Ben Ali will review with the Japanese officials means for enhancing bilateral relations.

Japan: Tunisian Leader Urges Better Relations

LD0907151096 Tunis Tunisian Republic Radio Network in Arabic 1300 GMT 9 Jul 96

[FBIS Translated Text] Tunisian President Zine El Abidine Ben Ali and his wife Leila Ben Ali arrived in Tokyo at 1500 local time, corresponding to 0700 Tunisian time, on a state visit to Japan from 9-12 July at the invitation of the emperor and empress of Japan. This visit comes in the framework of efforts aimed at strengthening the deep-rooted relations of friendship and cooperation existing between the two countries.

The president and his wife were greeted at Hanedakuo Airport in Tokyo by a number of senior Japanese officials, the Tunisian ambassador in Tokyo, and the embassy staff. A 21-gun salute greeted the president and his wife when they left the plane. The official convoy then left the airport for Akasaka Palace in Tokyo where the president will be staying and where the official welcoming ceremony will be held in honor of President Ben Ali and his wife in the presence of the emperor and empress of Japan.

On his arrival in Tokyo, President Ben Ali made the following statement:

It is my pleasure to make this state visit to Japan and to convey to the leadership and friendly people of Japan greetings from the Tunisian people and their admiration for the distinguished successes this country has achieved in various areas. On this occasion, I present my most sincere greetings and gratitude to His Majesty Emperor Akihito, and his honorable family, and to His Excellency Prime Minister Hashimoto and his aides. I would also like to express my appreciation for the interest taken by Japan in peace, stability, and cooperation in the world; its important support for the peace process in the Middle East; its policy toward Africa; and its support for development in African countries, particularly since the international meeting on development in Africa held in Tokyo.

This visit will enable us to further entrench the relations between our two friendly countries and open new avenues for these relations. This will also give us the opportunity to exchange views on issues of mutual interest and listen to the analyses of Japanese politicians and economists, particularly with regard to bolstering cooperation in various fields and developing exchanges in the scientific, technological, and cultural areas, in addition to links between the various sectors of society, such as businessmen, inventors, scientists, academics, youth organizations, and others.

We strongly hope for a better future and wider prospects for Tunisian-Japanese friendship.

Japan: Ikeda Holds Talks With Tunisian Foreign Minister

OW1007111796 Tokyo KYODO in English 0856 GMT 10 Jul 96

[FBIS Transcribed Text] Tokyo, July 10 KYODO — Foreign Minister Yukihiko Ikeda and his Tunisian counterpart Habib Ben Yahia on Wednesday agreed on the need to keep the Middle East peace process on track.

During a 50-minute meeting, Ikeda noted this is a "very critical stage" for the future of the fragile peace process and urged its steady promotion to achieve a durable peace in the volatile region, a Foreign Ministry official said.

Ben Yahia, who served as Tunisian ambassador to Japan from 1977 through 1981, replied that the United States should commit itself anew to moving the peace process forward, the official said.

Tunisia will closely watch what policy new Israeli Prime Minister Benjamin Netanyahu will take on the Middle East peace process and how he will contain right-wing hard-liners in Israel, Ben Yahia was quoted as saying.

On bilateral issues, Ikeda said Japan is considering extending a low-interest yen loan for an irrigation project in Tunisia and is also willing to promote economic cooperation between the two countries.

The Tunisian foreign minister, who is in Japan accompanying president Zine El Abidine Ben Ali, expressed hope Japanese businesses will make more investments in his country.

He also invited Ikeda to visit Tunisia.

Japan: Tunisian President Feted at Tokyo Banquet

OW1007144[illegible]96 Tokyo KYODO in English
1416 GMT 10 Jul 96

[FBIS Transcribed Text] Tokyo, July 10 KYODO — Tunisian president Zine Al Abidine Ben Ali, on a state visit to Japan, praised Japanese business and aid organizations for their cooperation with his country during a banquet at the Imperial Palace in Tokyo on Wednesday.

In a speech at the evening banquet, which was hosted by Emperor Akihito and Empress Michiko, Ben Ali praised "the fruitful cooperation that exists between our two countries" through the Japan International Cooperation Agency and Japanese volunteers working in Tunisia.

The president also praised Japanese investors and businessmen, who he said "rightly consider Tunisia as their main partner in the region."

In a speech at the banquet, Emperor Akihito said that as a child he became interested in Tunisia after reading the story of Carthage and Hannibal and later noticing on a map that the country's capital of Tunis is on about the same latitude as Tokyo.

The emperor also noted that the visit to Japan by Ben Ali is the first by a Tunisian president.

"I sincerely hope that it will become the occasion of further strengthening the ties of friendship and cooperation between our two countries," the emperor said.

Other members of the imperial family, including Crown Prince Naruhito and his wife Princess Masako, attended the banquet.

The some 120 guests at the banquet heard a band play arrangements of Tunisian melodies and dined on French food.

Earlier in the day, the emperor and empress, and Prime Minister Ryutaro Hashimoto among others took part in a welcoming ceremony for the president and his wife at the Akasaka Palace in Tokyo.

The Ground Self-Defense Force's band played the national anthems of both countries.

After the ceremony, the president and his wife accompanied the emperor and empress to the Imperial Palace for a meeting.

A scheduled orchestral performance in the front garden of the palace was canceled due to heavy rain from an approaching typhoon.

During the daytime meeting with the emperor and empress, Ben Ali expressed his appreciation over Japan's cooperation in pursuing peace in the Middle East and efforts toward promoting stability in Africa, an official of the Imperial Household Agency said.

In response, the emperor said Japan thinks it important to maintain global peace because of its experience in World War II, according to the official.

The emperor thanked Ben Ali for Tunisia's donation of canned food to the victims of the great Hanshin earthquake which struck Kobe and surrounding areas in western Japan in January last year, the official said.

Tokyo Proposes 700 Million Yen Aid for Wartime 'Sex Slaves'

OW1007121996 Tokyo KYODO in English
1124 GMT 10 Jul 96

[FBIS Transcribed Text] Tokyo, July 10 KYODO — The Foreign Ministry proposed a plan Wednesday to provide 700 million yen in medical and welfare aid over the next 10 years for about 300 Asian women forced into sexual slavery by the Japanese military more than half a century ago.

The government-initiated Asian Women's Fund holds a meeting of its directors later in the day to decide if it accepts the ministry's proposal, ministry officials said.

At a meeting of the fund working panel to which the ministry presented the plan, some members of the panel demanded the ministry increase the aid to 1 billion yen and move up the plan's schedule considering the aging of the recipients.

Under the scheme, the ministry would extend the aid in the form of housing, medical care and other assistance, in total worth some 2.5 million yen for each South Korean victim, about 1.5 million yen for each Philippine victim and about 3 million yen for each Taiwanese victim, the officials said.

The ministry came up with the figures by taking into consideration prices and living standards in each country.

Historians estimate that some 100,000 to 200,000 foreign women were forced into wartime sexual slavery for Japanese troops at front-line brothels before and during World War II.

In Japan, they are euphemistically called "comfort women."

Kim Sang-hui, a 73-year-old former sex slave in South Korea, asked, "is the Japanese Government just waiting for us to die?"

Kim and other women are concerned about the delay in the assistance procedures taken by the government.

According to those helping the women, since the fund was established in July 19, 1995, at least three such South Korean women, two Filipinos and one Taiwanese have died.

Separately, beginning this summer, the private fund will start paying at least 2 million yen each to some 300 surviving former sex slaves.

Some of the women, however, have expressed opposition to the fund, arguing the Japanese Government itself should pay compensation to individuals.

The Japanese Government has refused the demand, saying it has already settled the issue through interstate negotiations.

Japan: Spokesman on Plans To Review 'Sex Slaves' Aid in FY97 Budget

OW1107054596 Tokyo KYODO in English
0401 GMT 11 Jul 96

[FBIS Transcribed Text] Tokyo, July 11 KYODO — Japan's top government spokesman pledged Thursday to study how much money Tokyo can disburse under the fiscal 1997 budget for about 300 of Asian women forced into wartime sexual slavery for Japanese troops.

The move follows a call Wednesday by the government-initiated private Asian women's fund for the foreign ministry to increase its offer to provide 700 million yen in medical and welfare aid over the next 10 years to the women.

"Through the soon-to-begin budget compilation process, we must consider how we can do our best to deal with the fact that an organization taking pains on the matter made such recommendation," Chief Cabinet Secretary Seiroku Kajiyama told a press conference.

Kajiyama brushed off a question on whether the aid constitutes state compensation for individual war victims, which the government has ruled out.

"It is not for individuals but for a whole. You cannot say it does not suit government expenditure," he said.

Such expenditure would beef up the fund's already-decided plan. The plan is to give at least 2 million yen to each of some 300 surviving former sex slaves in South Korea, the Philippines and Taiwan, based on donations from the Japanese public, and to send a letter of apology from Prime Minister Ryutaro Hashimoto, he said.

The private fund, initiated a year ago by the government of then Prime Minister Tomiichi Murayama, has been harshly criticized by some former sex slaves. They argue that the Japanese Government itself should pay compensation to individuals.

The Japanese Government has rejected the demand, saying it has already settled the issue through intergovernmental negotiations.

Under the Foreign Ministry's scheme, aid extended in the form of housing, medical care and other assistance, would total some 2.5 million yen for each South Korean victim, about 1.5 million yen for each Philippine victim and about 3 million yen for each Taiwanese victim.

An estimated 100,000-200,000 women, mainly from the Korean peninsula then under Japanese colonial rule, were taken into sexual slavery before and during World War II for the Japanese military.

Japan: JAL Wins Approval for Kansai-New Delhi Route

OW1107042196 Tokyo KYODO in English
0328 GMT 11 Jul 96

[FBIS Transcribed Text] Tokyo, July 11 KYODO — The Transport Council on Thursday gave go-ahead to an application of Japan Airlines (JAL) to open a new route between Kansai international airport near Osaka and New Delhi, a Transport Ministry official said.

Following the decision by the advisory body to the transport minister, the ministry will issue a license for the route Friday, and JAL is scheduled to inaugurate the weekly round-trip to the Indian capital on Oct. 6, according to the official.

Japan: Kajiyama Says People Want Hashimoto To Boost Economy

OW1107094896 Tokyo KYODO in English
0850 GMT 11 Jul 96

[FBIS Transcribed Text] Tokyo, July 11 KYODO — The people want Prime Minister Ryutaro Hashimoto to make the economic recovery continue, while groping for ways not to use scarce state money for pump-priming, a top government spokesman said Thursday.

"I think this is virtually the only obligation imposed on the Hashimoto administration," Chief Cabinet Secretary Seiroku Kajiyama told a press conference.

The Hashimoto government is tackling administrative and budget reform to restore the stringent state finances, as well as deregulation and recovery of loans at seven failed "jusen" housing loan companies, he said.

Kajiyama made the remarks in response to a press request to comment on Hashimoto's half year in office since the premier took the oath Jan. 11.

He said the Hashimoto administration has earned relatively high support rates, despite its decisions to use taxpayers' money to liquidate jusen companies and raise the 3 percent consumption tax to 5 percent, because of public wishes for Hashimoto to challenge economic and diplomatic problems facing Japan.

On Tuesday, Hashimoto told reporters, "I have made it frantically and will continue making it frantically. I didn't imagine before there were so many things to tackle."

Hashimoto, president of the Liberal Democratic Party (LDP), took office, succeeding Tomiichi Murayama, head of the Social Democratic Party (SDP).

The current ruling coalition is made up of the LDP, the SDP and New Party Sakigake led by former Finance Minister Masayoshi Takemura.

Japan: MITI Advisory Panel Urges Structural Reform of Economy

OW1107084796 Tokyo KYODO in English 0822 GMT 11 Jul 96

[FBIS Transcribed Text] Tokyo, July 11 KYODO — A government advisory panel Thursday called for further structural reform of Japan's economic system to improve corporate competitiveness and to induce the nation's self-sustained economic recovery.

A committee on industrial finance of the Industrial Structure Council, an advisory panel to the Minister of International Trade and Industry, said factors such as extensive public regulation are eroding Japan's international competitiveness and stirring serious concerns over the hollowing-out of industry.

The panel's committee urged the government to lower corporate tax, steadily implement its deregulation package, and create a flexible employment system for facilitating movements of labor.

The committee also said the government should develop a research and development infrastructure, and offer more support for new businesses, which play a key role in job creation.

It made the policy proposals as part of a report on fiscal 1996 corporate capital investment plans, which was compiled following the panel's survey in mid-May of 1,294 companies that are capitalized at 100 million yen or more and are under the jurisdiction of the Ministry of International Trade and Industry.

The committee announced the results of the capital spending survey in late June, saying the companies plan to spend 6.5 percent more on plant and equipment this fiscal year than last, with manufacturers foreseeing a 7.5 percent rise in their investment.

Foreign direct investment by Japanese companies is expected to grow 17.7 percent. Capital spending by their overseas subsidiaries is also forecast to pick up 19.3 percent, the survey showed.

The committee on industrial finance approved the report and filed it with MITI head Shumpei Tsukahara.

In the policy proposals, the MITI advisory committee also argued for reform of financial and capital markets to improve the efficiency of corporate fund procurement and other aspects of industrial finance.

It called for instance for the deregulation of asset management by employee pension funds, increased competition among financial brokers to help lower commissions for corporate bond issuance, and liberalization of stock brokerage commissions.

The policy proposals followed a spate of surveys the committee conducted along with the capital investment survey.

The panel's committee found 82.9 percent of the surveyed companies were still restructuring. Employment cutbacks topped the list of restructuring items, cited by 58.2 percent of the respondents.

The figure indicates the job environment will remain tough, a MITI official said.

On foreign direct investment, 58.5 percent of the respondents said their investment plans will not be affected by the recent strengthening of the dollar which was trading at around 105 yen at the time of the survey.

Amid expanding overseas operations, 24.4 percent of the surveyed companies anticipated a slowdown in domestic investment, while 9.2 percent forecast that such investment will actually fall in value, the committee said.

It is worrying how future progress in overseas investment will affect domestic investment, it said.

Japan: Management Speakers Criticize Bureaucrats at Seminar

OW1007140296 Tokyo KYODO in English 1239 GMT 10 Jul 96

[FBIS Transcribed Text] Karuizawa, Japan, July 10 KYODO — Business leaders and economists criticized the

Japanese administration system Wednesday for having caused rigidity in the nation's economic structure.

Masao Ogura, former chairman of Yamato Transport Co., and Kazuo Yoshida, an economist at Kyoto University, held an open discussion before an audience of 130 top managers on the second day of a four-day seminar in Karuizawa, a summer resort town in Nagano Prefecture.

Ogura said, "Yamato's entry into new business areas was delayed for 10 years because of the Transport Ministry which restricted newcomers," referring to the difficulties he faced when trying to expand the company's operations nationwide.

Ogura said the bureaucrats tried to protect existing companies "without any knowledge of the industry."

"There is nobody who regulates the bureaucrats," he said, noting they are not necessary for vitalization of markets and economy.

Yoshida, a retired Finance Ministry bureaucrat, also pointed to the adverse effects of the bureaucracy, but said "they are also in a difficult position because they have to support irresponsible politicians."

Economic Planning Agency Director General Shusei Tanaka, who spoke on the opening day, also expressed his distrust of bureaucrats in their handling of the economy and other issues.

Tanaka emphasized Tuesday that conventional methods and thinking are no longer of any use to the administration, and called for dynamic changes.

Japan: Declining of Surplus Concerns MITI Vice Minister

OW1107104596 Tokyo NIHON KEIZAI SHIMBUN in Japanese 9 July 96 Morning Edition p 5

[FBIS Translated Text] During a news conference on 8 July, Tomio Tsutsumi, administrative vice minister of international trade and industry, expressed concern over Japan's declining current account surplus. He said: "The figures indicate potential for Japan to turn to a deficit-ridden country."

As causes of the trend, Tsutsumi cited Japan's high-cost production structure and expanding overseas investment by Japanese corporations.

Japan: EPA Head Urges Deregulating Telecommunications Industry

OW1107055996 Tokyo KYODO in English 0500 GMT 11 Jul 96

[FBIS Transcribed Text] Tokyo, July 11 KYODO — The head of the Economic Planning Agency (EPA) called Thursday for implementing a drastic deregulation of the nation's telecommunications industry where would-be entrants are currently placed under severe official curbs.

"(Japan) should allow a greater number of other (telecom business) carriers to enter or get out of the telecommunications sector," said Shusei Tanaka, the agency's director general, at a breakfast meeting with the leaders of the Federation of Economic Organizations (Keidanren).

Tanaka sounded negative on a proposal from some quarters to compile a supplementary budget later this year to add further stimulus to the economy.

He said deregulation should be given priority as it would lead to helping secure a self-sustained recovery of the economy.

Keidanren Chairman Shoichiro Toyoda concurred with Tanaka on the need to avoid giving further strains to the nation's already overburdened finances.

The government "should take a cautious stance concerning a compilation of a supplementary budget," Toyoda said.

Japan: Hashimoto Launches Private Panel To Study BOJ Law

OW1007140496 Tokyo KYODO in English 1137 GMT 10 Jul 96

[FBIS Transcribed Text] Tokyo, July 10 KYODO — Prime Minister Ryutaro Hashimoto formally launched Wednesday a private panel of seven experts to study proposed revisions of the law governing the Bank of Japan (BOJ), panel officials said.

The team, headed by Yasuhiko Torii, president of Keio University, Hashimoto's alma mater, will hold its first session later this month and convene until fall.

It will compile a report around October, to help Hashimoto to introduce a relevant bill to the Diet next year.

Earlier in the day, Chief Cabinet Secretary Seiroku Kajiyama said the team will study Japan's long-term financial policies, the form the central bank should take in the future and whether to revise the BOJ law to clarify the independence and responsibility of the central bank, he told a press conference.

The focus will be put on how to secure the independence of the central bank from the government, the officials said.

The group comprises Torii and six other experts on economics, finance and law.

Hashimoto shows a positive stance toward revising BOJ law, the officials said.

Japan: Coalition Plans Y800 Billion Fund To Ease Burden on 'Jusen'

OW1107060396 Tokyo KYODO in English 0540 GMT 11 Jul 96

[FBIS Transcribed Text] Tokyo, July 11 KYODO — The ruling coalition parties are asking financial institutions to put up a total of 800 billion yen [Y] to create an investment fund for easing taxpayers' burden for a scheme to liquidate failed "jusen" housing loan companies, coalition sources said Thursday.

The tripartite ruling coalition is requesting banks that founded the seven mortgage loan companies to contribute 650 billion yen and agricultural lending institutions, major creditors to the mortgage companies, to donate 150 billion yen, the sources said.

The 800 billion yen from the founder banks and agricultural lending institutions will be invested in government bonds and other financial tools for 15 years to earn about 500 billion yen in investment returns, they said.

The ruling coalition is seeking to offset 685 billion yen in taxpayers' money for the mortgage company liquidation scheme by using the investment returns from the fund and strengthening efforts to recover loans made by the housing loan companies, the sources said.

The Bank of Japan (BOJ) will also contribute 100 billion yen to the fund, but the money from the central bank will be managed in a separate account to cover the fund's operational costs, they said.

Financial industry sources said the founder banks and agricultural institutions are basically planning to accept the request from the ruling coalition.

Norinchukin Bank and other agricultural lending institutions are expected to decide on their acceptance around July 18, they said.

Under the ruling coalition's plan, agricultural institutions would receive 60 billion yen in interest payment arrears from the mortgage companies for the January-March period, coalition sources said.

Instead, agricultural institutions would increase their contribution to the investment fund to 150 billion yen from the initially requested 100 billion yen, the sources said.

The founder banks, meanwhile, would give up receiving 20 billion yen in January-March interest payments from the mortgage companies, they said.

The government has decided to use 685 billion yen in taxpayers' money to cover loan losses resulting from the liquidation of the mortgage companies, which are saddled with huge problem loans.

The strong criticism of the publicly financed scheme, however, has prompted the government and ruling coalition to seek additional contributions from financial institutions to offset the taxpayers' burden.

Japan: Regional Banks Decide To Donate to 'Jusen' Bailout Fund

OW1107081796 Tokyo KYODO in English 0739 GMT 11 Jul 96

[FBIS Transcribed Text] Tokyo, July 11 KYODO — Japan's second-tier regional banks association said Thursday member banks have decided to contribute 30 billion yen to a pool of funds to be managed by the government to cover "secondary" losses expected to emerge in the process of winding up seven failed "jusen" mortgage firms.

The second association of regional banks will donate the money to the financial system stabilization fund to be set up inside government-run Deposit Insurance Corp. (DIC) in accordance with the government's overall scheme to liquidate the seven, it said.

The fund, totaling 1 trillion yen, is supposed to generate investment profits to help cover half the secondary losses to emerge if a government-run factoring vehicle fails to fully recover loans extended by the seven to numerous speculative real estate developers.

The factoring vehicle, Housing Loan Administration Corp., will start operations later this month, to help wind up the seven jusen companies and recover whatever credits the seven had extended to now-insolvent borrowers.

The association's decision follows a similar decision the previous day by the Regional Banks Association of Japan, the industry grouping of larger regional banks. The larger banks will donate 80 billion yen to the same fund, their association said.

The contribution each second-tier bank should make was determined in view of each bank's financial resources, respective capital-adequacy ratios and respective amounts of loans to the mortgage firms, it said.

Fukuoka City Bank, the largest among the members, will donate 1.28 billion yen, while Nara Bank, the smallest, will give 70 million yen, it said. The Bank of Nagoya, whose president Kazumaro Kato leads the industry body, will donate 1.12 billion yen.

Kato said the association has put off a decision on how much it should contribute to a separate government-run fund that is supposed to help recover a planned payout of 685 billion yen in taxpayers' money, which will also be funneled to help cover "primary losses" to emerge in winding up the jusen companies.

Japan: Ministry Seeks 'Strict' Standards for Spending Requests

OW1107101096 Tokyo KYODO in English 0854 GMT 11 Jul 96

[FBIS Transcribed Text] Tokyo, July 11 KYODO — Vice Finance Minister Tadashi Ogawa said Thursday his ministry will set "strict" standards for fiscal 1997 budgetary spending requests in view of Japan's strained fiscal condition.

"The ministry will make fiscal 1997 the first year of fiscal rebuilding and will take a strict stance in mapping out standards for appropriations requests," Ogawa said at a news conference.

Following discussions now being held by Prime Minister Ryutaro Hashimoto and his cabinet ministers on the budget for fiscal 1997 that starts next April, the ministry will set spending request standards that reflect the current tough fiscal situation, Ogawa said.

The ministry has described the fiscal condition as "critical." The balance of outstanding government bonds is estimated to reach 240 trillion yen at the end of next March, equal to nearly 50 percent of the nation's gross domestic product.

Japan: MOF Officials Say No Budget Request 'Sanctuaries' for FY97

OW1107091096 Tokyo KYODO in English 0811 GMT 11 Jul 96

[FBIS Transcribed Text] Tokyo, July 11 KYODO — The Ministry of Finance (MOF) will declare it will set no "sanctuaries" in working out tough ceilings on budget requests from government ministries and agencies for fiscal 1997, officials said Thursday.

Finance Minister Wataru Kubo will make the declaration at a third cabinet meeting Friday on the budget for the year starting next April, and will stress the need of designating fiscal 1997 as the first year to rehabilitate the strained state coffers, the officials said.

Defense spending, Official Development Assistance (ODA) and some other areas have so far been treated as sanctuaries immune from spending cuts.

Although some members of the ruling coalition are calling for special treatment of outlays for the planned transfer of U.S. military base facilities in Okinawa Prefecture, the MOF has no intention to comply with their request, the officials said.

Although Kubo will not offer specific ceilings, he will explain the MOF's plan to permit no growth for public works spending and other investment expenditures, which have grown at an annual rate of 5 percent for the three years through fiscal 1996.

The officials also said Kubo will propose a cut of more than 10 percent in clerical expenses and other ordinary outlays.

For fiscal 1996, the MOF set aside 140 billion yen for the promotion of Japan's economic structural reform. While some coalition members are demanding a sharp increase in appropriations for scientific studies and other priority projects to promote the reform, Kubo will emphasize that the new outlays must be closely analyzed to see whether they are being used efficiently, the officials said.

As a whole, the MOF will thoroughly review outlays worth 20 trillion yen for personnel expenses, ODA, social security programs and other areas in order to put the state finances in order, the officials said.

Japan: Hashimoto Plans 30 Percent Cut in New Government Employees

OW1007112096 Tokyo KYODO in English 1027 GMT 10 Jul 96

[FBIS Transcribed Text] Tokyo, July 10 KYODO — Prime Minister Ryutaro Hashimoto wants to reduce the number of new government employees by 30 percent as a way of streamlining the administration and restoring state finances, the top government spokesman said Wednesday.

"I talked with the premier and was given consent to carry out a 30 percent reduction over five years and then decide what to do after that, depending on the situation," Chief Cabinet Secretary Seiroku Kajiyama said.

The government needs to take strong measures to cut the state budget deficit following a recent decision to raise the 3-percent consumption tax to 5 percent from April 1 next year, he told a press conference.

Kajiyama even suggested an initial-year reduction of some 10 percent in new employees entering government offices next April.

Some of them have already got informal promises of government employment, but ministries and agencies can reduce the number of new employees in other parts, he said.

Reductions in government hiring are also vital to acquire highly talented personnel working in the private sector, Kajiyama said.

Mongolia

Mongolia: President on Importance of Ties With Russia, PRC

LD1007145196 Moscow ITAR-TASS World Service in Russian 0904 GMT 10 Jul 96

[By ITAR-TASS correspondent Kim Boldokhonov]

[FBIS Translated Text] Ulaanbaatar, 10 Jul — "The creation of the unified Mongolian state in 1206 and the victorious popular revolution of 1921 are the turning points in the many-centuries history of the Mongols, who have provided a powerful impetus for human development. Our country stands today before the world community as an independent, democratic state, which protects with honor its historic traditions and successfully implements political and economic change." President of Mongolia Punsalmaagiyn Ochirbat made these remarks in a speech at a meeting in Ulaanbaatar to celebrate the 790th anniversary of the foundation of the Mongol state and the 75th anniversary of the Mongolian popular revolution.

In describing his country's foreign policy line, the head of the Mongolian state stressed the priority given to friendly relations and cooperation with the two great neighbors, Russia and China, which have now adopted the universal principles of international relations on the basis of full equality and mutual advantage.

Mongolia: Ochirbat Demands Stricter Discipline After Elections

LD0907100996 Moscow ITAR-TASS in English 0806 GMT 9 Jul 96

[By Kim Boldokhonov]

[FBIS Transcribed Text] Ulaanbaatar, July 9 (Itar-Tass) — Mongolian President Punsalmaagiyn Ochirbat, worried over general relaxation of discipline, demanded that the state apparatus at all levels ensure normal activities at the transition period until a new parliament and government are formed.

On June 30, the Democratic Union coalition which was in opposition, won a landslide victory at general elections over the ruling Mongolian People's Revolutionary Party, winning 50 out of 76 seats.

Following the announcement by the Central Election Commission of the final results of the elections, the winning democrats started forming the legislature and government. Their statements that the future government and other structures will be formed only from among democrats, shocked many staff members of government and other state organisations, and they clearly relaxed the pace of work. The discipline and order became lax everywhere. Therefore, the President was forced to call a meeting on Monday of top executives of all government structures, law enforcement bodies, and leaders of political parties and instructed them to ensure normal functioning of their departments and organisations.

North Korea

DPRK: SKNDF Letter Urges Reunification at Early Date

SK0707071396 Pyongyang KCNA in English 0707 GMT 7 Jul 96

[FBIS Transcribed Text] Pyongyang, July 7 (KCNA) — The Central Committee of the National Democratic Front of South Korea (NDFSK) [SKNDF] made public a letter to all the people on July 3 on the occasion of the 24th anniversary of the announcement of the historic July 4 joint statement between the North and the South of Korea and called for achieving the historical cause of the nation for the country's reunification at an early date through a nation-wide struggle.

The letter said that the July 4 joint statement whose keynote is the three principles of national reunification — independence, peaceful reunification and great national unity — is a great program of reunification carrying the general will of all the fellow countrymen and a milestone in the history of the reunification movement of our nation. The movement for national reunification should be more vigorously waged to realise the three principles of national reunification and the proposal for reunification through confederacy, it noted. The letter called for resolutely rejecting the outside domination and interference, establishing the sovereignty of the nation, frustrating the outside-following policy of the treacherous "civilian" regime and concentrating efforts on the struggle for the abolition of the "national security law" blocking national reunification.

The letter laid stress on founding the Democratic Confederal Republic of Koryo, a reunified country, independent, peaceful and neutral, on the three principles of national reunification — independence, peaceful reunification and great national unity — [punctuation as received]

DPRK: Reunification Committee Urges ROK To Give Up War 'Design'

SK0707080596 Pyongyang KCNA in English 0701 GMT 7 Jul 96

[FBIS Transcribed Text] Pyongyang, July 7 (KCNA) — The secretariat of the Committee for the Peaceful Reunification of the Fatherland issued information No.

717 on Saturday, urging the South Korean puppets to give up their design to unleash a war against the North and promptly stop provocative arms buildup.

The South Korean rulers plan to purchase or develop various kinds of military equipment including "high-tech missiles", an anti- artillery radar system and unmanned reconnaissance plane and introduce them in the puppet army. To this end, they intend to increase next year's "budget" 21.8 percent higher than this year's under the pretext of "deterring the North".

The information says their reckless arms buildup is another intolerable criminal act which may further aggravate the situation of the Korean peninsula and plunge all the people of the country into a holocaust of another war.

The arms buildup, which has been intensified still further since they made public the anti-North "five-stage 5027 operation", clearly shows that the South Korean puppets have already made a war against the North a fait accompli, says the information.

If the Kim Yong-sam group persistently seeks to start a war against the North, engaging in arms buildup and military drills, our people will annihilate the group of traitors, it warns.

DPRK: ROK's Arrest of Student Leader Denounced

SK0707073596 Pyongyang KCNA in English 0650 GMT 7 Jul 96

[FBIS Transcribed Text] Pyongyang, July 7 (KCNA) — The puppet Seoul police of South Korea detained Yo Song-u, chairman of the National Federation of Students for Struggle and chairman of the Student Council of Seoul National University, on June 4 on charge of the violation of the "law on assembly and demonstration".

The police charged that he had organised four or five demonstrations since the inaugural meeting of the National Federation of Students for Struggle at the Seoul campus in April.

The fascist clique, upset by the escalating anti- "government" struggle of students, have intensified the suppression of student leaders.

DPRK: SKNDF Central Committee Sends Letter to Kim Chong-il

SK0807102496 Pyongyang KCNA in English 0412 GMT 8 Jul 96

[FBIS Transcribed Text] Pyongyang, July 8 (KCNA) — The great leader Comrade Kim Chong-il received a letter from the Central Committee of the National Democratic Front of South Korea [SKNDF] on July 8 on the occasion of the second death anniversary of the great leader President Kim Il-song.

The letter says that the respected leader Comrade Kim Il-song was a legendary hero of the century produced by heaven, a great man with no parallel in history, the great sun of chuche who threw brilliant rays throughout the universe and the tender-hearted father.

The 80-odd years of Comrade Kim Il-song, who was called the sun in his teens, indicated the direction and course of the development of national and human history with the brilliant rays of the chuche idea and controlled heaven and earth, was a great life of the greatest man produced by heaven, who was possessed of literary and military accomplishments and virtues on the highest level and paved the untrodden path of the cause of independence, the cause of socialism his own way and performed great and rich undying feats in the protracted course, says the letter.

His great achievements in the 20th century will remain long and his august name meaning the sun will shine for all ages, it says.

It says that his imperishable revolutionary cause is creditably carried forward and developed by the respected general Kim Chong-il, who is another great leader and great sun of salvation.

It says that to have the general as the sun of the nation and an outstanding leader is the greatest fortune the Korean nation is proud of.

The vanguard fighters and patriotic-minded people in South Korea will hold in high esteem the great Comrade Kim Il-song as the eternal sun of chuche, believe in General Kim Chong-il as the mental pillar and banner of victory and always follow the general, defying anti-communist fascist whirlwind and manifold trials, it adds.

The letter sincerely wishes Comrade Kim Chong-il good health and a long life.

DPRK: WPK Delegation Returns Home After Visiting PRC

SK0707034096 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 4 Jul 96

[FBIS Translated Text] The Workers Party of Korea [WPK] party functionary delegation headed by Nam Chae-hwan, deputy director of a department of the WPK Central Committee, returned home by train on 4 July after visiting the PRC.

Kim Yang-kon, deputy director of a department of the WPK Central Committee, and (Zhu Yudong), minister counselor of the PRC Embassy in the DPRK, welcomed the delegation at the airport.

DPRK: Kim Chong-il's Message to Jiang Zemin Reported

SK1107005296 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 10 Jul 96

[FBIS Translated Text] The great leader [widaehan yongdoja] of our party and people Comrade Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army, sent a congratulatory message to Comrade Jiang Zemin, general secretary of the CPC Central Committee, president of the PRC, and chairman of the Central Military Commission of the PRC, on the occasion of the 35th anniversary of the conclusion of the bilateral Treaty between the DPRK and the PRC on Friendship, Cooperation and Mutual Assistance.

The message reads:

Beijing.

Comrade Jiang Zemin, general secretary of the CPC Central Committee, president of the PRC, and chairman of the PRC Central Military Commission:

On the occasion of the 35th anniversary of the conclusion of the bilateral Treaty between the DPRK and the PRC on Friendship, Cooperation, and Mutual Assistance, I convey warm congratulations to you, and through you, to the CPC Central Committee and the PRC Government and people.

The conclusion of the DPRK-PRC Treaty on Friendship, Cooperation, and Mutual Assistance clearly showed the unanimous desire of the DPRK and Chinese peoples to further consolidate and develop traditional relations of friendship and cooperation established in the course of implementing the joint cause for independence, sovereignty and socialism, and contribute to defending gains of socialism and safeguarding the peace of Asia and the world.

Over the past 35 years since the conclusion of the treaty, the parties and governments of the two countries have made sustained efforts to strengthen and develop friendly and cooperative relations as hoped by the two peoples.

Today, the Chinese people, under the leadership of the CPC headed by you, have registered tremendous achievements in the efforts to ensure stability and unity in the whole country and build socialism with Chinese characteristics.

The DPRK people sincerely rejoice at all the achievements of the Chinese people and invariably support their cause of national reunification.

The DPRK-PRC Treaty on Friendship, Cooperation, and Mutual Assistance will remain conducive to defending the socialist cause in the two countries and defending peace and stability in this region.

Taking this opportunity, I express my belief that the traditional relations of friendship and cooperation between the DPRK and the PRC will continue strengthening and developing in the interests of their peoples, and wish you and the Chinese people greater achievements in your efforts for the development and prosperity of the country.

[Signed] Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army.

[Dated] 10 July, 1996, Pyongyang.

DPRK: Jiang Zemin's Message to Kim Chong-il Reported

SK1107014296 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 10 Jul 96

[FBIS Translated Text] The great leader [widaehan yongdoja] of our party and people, Comrade Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army, received a congratulatory message from Comrade Jiang Zemin, general secretary of the CPC Central Committee, president of the PRC, and chairman of the PRC Central Military Commission, on the occasion of the 35th anniversary of the conclusion of the PRC-DPRK Treaty on Friendship, Cooperation, and Mutual Assistance.

The message reads:

Pyongyang.

Comrade Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army:

On the occasion of the 35th anniversary of the conclusion of the PRC-DPRK Treaty on Friendship, Cooperation, and Mutual Assistance, on behalf of the CPC and the PRC Government and people, I convey my warmest congratulations and greetings to you, and through you, to the Workers Party of Korea and the DPRK Government and people.

The PRC-DPRK Treaty on Friendship, Cooperation, and Mutual Assistance marked an important milestone in the history of friendship between the PRC and the DPRK, and has played an important role in strengthening and promoting friendship and cooperation between the PRC and the DPRK in various sectors.

Over the past 35 years, the peoples of the PRC and the DPRK have made progress, supporting, helping, and closely cooperating with each other on the principle of the treaty and in its spirit, and made considerable achievements in their socialist revolution and construction.

The traditional friendship and cooperation between the peoples of the PRC and DPRK, provided and cultivated by their leaders of the old generation [nosedae chidojadul], have demonstrated their great vitality in decades of a complicated international situation.

Consolidating and developing PRC-DPRK friendship is an unswerving policy [hwakko pudonghan pangchim] of the PRC party and government.

We believe that the great friendship between the PRC and the DPRK will surely be consolidated and developed still further thanks to a great impetus by the two countries' leaders of the new generation [saesedae chidojadul] and through the joint efforts of the two peoples, so that it may make a fresh contribution to their socialist cause and to the peace and stability of Asia and the world.

We are pleased to see that the fraternal DPRK people, under the correct leadership of the Workers Party of Korea headed by you [tangsinul subanuro hanun], are steadily promoting the building of DPRK-style socialism and the independent and peaceful reunification of the country, true to the intentions of President Kim Il-song.

We sincerely hope that progress will be made in all fields, the DPRK will prosper, and the people will live a happy life in Korea under your leadership.

[Signed] Jiang Zemin, general secretary of the CPC Central Committee, president of the PRC, and chairman of the PRC Central Military Commission.

[Dated] 10 July, 1996, Beijing.

DPRK: Kim Yong-nam Attends Banquet for PRC Friendship Delegation

SK1107082096 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 11 Jul 96

[FBIS Translated Text] On the occasion of the 35th anniversary of the signing of the DPRK-PRC Treaty on Friendship, Cooperation and Mutual Assistance, the DPRK-PRC Friendship Association Central Committee and the Committee for Cultural Relations With Foreign Countries arranged a banquet at the People's Cultural Palace on the evening of 10 July.

Invited to the banquet were the PRC friendship delegation led by Comrade Luo Gan, state councillor and secretary general of the PRC State Council General Office; the delegation of the Chinese People's Association for Friendship With Foreign Countries [CPAFFC] and the PRC-DPRK Friendship Association led by Su Guang, vice president of the CPAFFC; Qiao Zonghuai, PRC ambassador to the DPRK; the PRC Embassy staff members, and other Chinese guests.

Kim Yong-nam, vice premier and foreign minister; Choe Hui-chong, chairman of the DPRK-PRC Friendship Association Central Committee and the State Commission of Science and Technology; Kim Yang-kon, vice director of the Workers Party of Korea [WPK] Central Committee; Chong Chang-yol, vice minister of the People's Armed Forces Ministry; Vice Foreign Minister Choe U-chin; Chon Yon-ok, vice chairman of the Committee for Cultural Relations With Foreign Countries; and functionaries concerned attended the banquet.

Chairman Choe Hui-chong spoke at the banquet. He said that the signing of the DPRK-PRC Treaty on Friendship, Cooperation and Mutual Assistance clearly showed the unanimous desire and aspiration of the peoples of the DPRK and the PRC to solidify and develop the traditional relations of friendship and cooperation established in blood. He said that the agreement promoted socialist construction in the two countries and contributed to defending the peace of Asia and the world.

He pointed out that after the signing of the agreement, the parties, governments, and peoples of the two countries persistently exerted efforts to strengthen and develop the DPRK-PRC friendship, which has long historical roots and has withstood all sorts of trials in history. He stressed that the WPK and the government have consistently maintained the policy to solidify and develop the DPRK- PRC friendship. He said that he firmly believed that the ties of friendship, unity, and cooperation between the peoples of the two countries will be unceasingly solidified.

Luo Gan, who is leading the PRC delegation, spoke next. He said that Comrade Kim Il-song, the great leader [widaehan suryong] of the DPRK people and a close friend of the PRC people, visited the PRC 35 years ago, and signed the PRC-DPRK Treaty on Friendship, Cooperation and Mutual Assistance with Zhou Enlai, the respected and beloved premier of the PRC people. By doing so, he established, in the form of an agreement, the strong and traditional friendship between the peoples of the PRC and the DPRK, which was built in the long course of the revolutionary struggle and the implementation of the cause for socialist construction. The agreement has acted as common principles for developing friendly and cooperative relations between the two countries.

He said: Cooperation between the PRC and the DPRK has constantly been intensified and expanded and has brought great results in all domains, including politics, economy, culture, science, and technology, for the past 35 years. We are quite satisfied with this.

He continued: Recently, we have keenly felt the DPRK people's friendly affection for the PRC people. We were able to witness the brilliant results achieved by the fraternal DPRK people in protecting their national sovereignty and implementing the socialist cause for the past decades under the leadership of President Kim Il-song, Comrade Kim Chong-il, and the WPK, upholding the banner of the three revolutions — ideological, technological, and cultural.

He then said that on the occasion of the second anniversary of the death of the Comrade Kim Il-song, the great leader [suryong] of the DPRK people, the PRC people is also in irresistible grief and miss him like the DPRK people.

He said: The PRC party and government hope peace and security on the Korean peninsula will continuously remain, and always actively support the reasonable proposals of the DPRK party and Government to ease tensions in this region, to improve relations between North and South Korea, and to achieve the independent and peaceful reunification of the country.

Touching on friendly relations between the two countries, he said: Developing friendly and cooperative relations between the PRC and the DPRK is not only good for the cause of socialist construction in the two countries, but also coincides with the primary interests and common desires of the two peoples. It is also helpful for security and peace in this region.

The participants of the banquet prayed for the eternal life of the respected and beloved leader [suryong] Comrade Kim Il-song who devoted everything to the victory of mankind's cause of independence, and who accumulated immortal great achievements in the annals of the PRC-DPRK friendship. They proposed a toast to friendship and unity between the peoples of the PRC and the DPRK; the good health and long life of great leader [yongdoja] Comrade Kim Chong-il; and the good health and long lives of the PRC leaders, including respected Comrade Jiang Zemin.

DPRK: Kang Song-san Sends Message Marking Treaty to Li Peng

SK1107112596 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 11 Jul 96

[FBIS Translated Text] Comrade Kang Song-san, premier of the Administration Council, has sent a congratulatory message to Li Peng, premier of the PRC State Council.

The congratulatory message points out that Kang sends fervent congratulations to Li on the occasion of the 35th anniversary of the conclusion of the DPRK-PRC Treaty on Friendship, Cooperation, and Mutual Assistance.

The congratulatory message notes that the DPRK-PRC Treaty on Friendship, Cooperation, and Mutual Assistance has contributed to developing and strengthening the friendly and cooperative relations forged between the two countries; to expediting the socialist construction in the two countries; and to defending the peace in Asia and the rest of the world.

In the congratulatory message, he said he firmly believes that the traditional relations of friendship and cooperation between the peoples of the two countries of the DPRK and the PRC will further develop, and he wholeheartedly wished Comrade Li Peng success in his work.

DPRK: Article Marks DPRK-PRC Treaty Anniversary

SK1107054696 Pyongyang KCNA in English 0431 GMT 11 Jul 96

[FBIS Transcribed Text] Pyongyang, July 11 (KCNA) — NODONG SINMUN today dedicates an editorial to the 35th anniversary of the signing of the Korea-China Treaty of Friendship, Cooperation and Mutual Assistance (July 11, 1961).

The editorial says:

The treaty was a landmark in the strengthening of Korea-China friendship. It has greatly contributed to promoting the revolution and construction in the two countries and preserving peace in Asia and the world over the past 35 years.

Korea-China friendship was forged and has been consolidated in the common cause of anti-imperialism, independence, sovereignty and socialism.

The two peoples have long since fought shoulder to shoulder against the common enemies. They shared weal and woe, life and death in the struggle against Japanese and U.S. imperialisms and supported and closely cooperated with each other in the building of socialism.

The friendship between the two peoples is valuable and traditional. It was established by the leaders of the two countries and has withstood all trials of history. The intimacy and comradeship between the leaders of the two countries is the reliable foundation for the solidity and invincibility of Korea-China friendship.

The friendly feelings of the two peoples are sincere.

The current visit to Korea of a Chinese friendship delegation and a formation of Navy vessels of the Chinese People's Liberation Army is a graphic example of friendship and solidarity growing stronger between the two parties, peoples and armies.

To develop Korea-China friendship generation after generation is the earnest request of the great leader Comrade Kim Il-song and a consistent policy of the Workers' Party of Korea and the DPRK Government.

The Korean people will make positive efforts as ever to consolidate and exalt this traditional friendship generation after generation.

Over the last 35 years, the two peoples have supported, solidarized and cooperated with each other and made tremendous achievements in socialist construction.

In a telegram to Comrade Jiang Zemin, general secretary of the Communist Party of China Central Committee and president of the People's Republic of China, the great leader Comrade Kim Chong-il said:

"Today the Chinese people, under the leadership of the Communist Party of China headed by you, have registered tremendous achievements in the efforts to ensure stability and unity in the whole country and build socialism with Chinese characteristics."

The Chinese people are vigorously advancing along the road they chose under the leadership of the Communist Party of China headed by respected Comrade Jiang Zemin.

The party is growing in strength and its leadership role enhanced. The Communist Party of China is steadily expanding its ranks and enjoying trust and support from the popular masses. Under the party's leadership, the Chinese people are successfully building the economy and promoting the modernisation of national defence. The prestige of the People's Republic of China is rising in the international arena.

The Korean people are sincerely rejoiced over the great achievements made by the fraternal Chinese people in the revolution and construction and wholeheartedly wish them greater success in the future.

The Chinese people fully support the Korean people's revolutionary cause.

Korea-China friendship will constantly be strengthened by joint efforts in conformity with the spirit of the bilateral Treaty of Friendship, Cooperation and Mutual Assistance and the desires of the two peoples.

DPRK: PRC 'Friendship' Delegation Arrives 10 Jul

SK1007105496 Pyongyang KCNA in English 0932 GMT 10 Jul 96

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — A Chinese friendship delegation headed by Luo Gan, state councillor and secretary general of the State Council of the People's Republic of China, arrived here today to participate in ceremonies to be held in Korea to mark the 35th anniversary of the signing of the Korea-China Treaty on Friendship, Cooperation and Mutual Assistance, at the invitation of the DPRK Government.

The delegation was greeted at the airport by Vice-premier Chang Chol, Vice-minister of Foreign Affairs Choe U-chin, Chinese ambassador to the DPRK Qiao Zonghuai and embassy officials.

DPRK: Chang Chol Attends Banquet for PRC Delegation

SK1007110496 Pyongyang KCNA in English 1053 GMT 10 Jul 96

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — The DPRK Government gave a banquet for the Chinese friendship delegation on a visit to Korea to participate in ceremonies to mark the 35th anniversary of the signing of the Korea-China Treaty on Friendship, Cooperation and Mutual Assistance at the Mansudae Assembly Hall today.

Invited to the banquet were the members of the delegation led by Luo Gan, state councillor and secretary general of the State Council of the People's Republic of China, and the Chinese ambassador to the DPRK, Qiao Zonghuai.

Vice-premier Chang Chol, Chairman of the Pyongyang Municipal Administrative and Economic Committee Yang Man-kil and other officials concerned were present there.

Toasts were made at the banquet.

DPRK: Kim Pok-sin Meets Visiting PRC Friendship Delegation

SK1107123596 Pyongyang KCNA in English
1049 GMT 11 Jul 96

[FBIS Transcribed Text] Pyongyang, July 11 (KCNA) — Vice-Premier Kim Pok-sin met and had a friendly talk with the visiting delegation of the Chinese People's Association for Friendship With Foreign Countries (CPAFFC) and the China-Korea Friendship Association led by Su Guang, vice-president of the CPAFFC, at the Mansudae Assembly Hall today.

Present there were Chon Yon-ok, vice-chairwoman of the Korean Committee for Cultural Relations With Foreign Countries and vice- chairwoman of the Central Committee of the Korea-China Friendship Association, and Sui Xiudong, minister-councillor of the Chinese Embassy here.

Su Guang said that while in Korea, he has witnessed achievements the Korean people have made in socialist construction under the wise guidance of the Great Leader Comrade Kim Chong-il.

Referring to Sino-Korean friendship, he declared that the Chinese people will fight shoulder to shoulder with the Korean people in any adversity.

DPRK: PRC Warships Arrive at Nampo Port 10 Jul

SK1007092696 Pyongyang KCNA in English
0911 GMT 10 Jul 96

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — A formation of warships under the navy of the Chinese People's Liberation Army [CPLA] arrived at Nampo Port on the west coast of Korea today at 15:15 [0615 GMT].

The formation led by Vice Admiral Wang Jiying, commander of the North China Sea Fleet of the CPLA Navy, is comprised of guided- missile destroyers the flagship "Harbin" and "Xining".

It is visiting Korea with feelings of friendship toward the people and servicemen of Korea to mark the 35th anniversary of the signing of the Treaty on friendship, Cooperation and Mutual Assistance between Korea and China.

The port city of Nampo was in an atmosphere of warm welcome to the CPLA sailors.

Working people in the city and servicemen warmly welcomed the Chinese sailors, chanting "welcome" and "friendship" and waving mini flags of the two countries and bunches of flowers.

Present there to meet the formation were Vice Admiral Kim Yun-sim and other KPA generals and officers, secretary of the Nampo Municipal Committee of the Workers' Party of Korea Kim Sang-muk, Vice-Chairman of the Nampo Municipal Administrative and Economic Committee Kwon Yun-ik and officials concerned and Military Attache Liu Jianhua and other officials of the Chinese Embassy in Pyongyang.

A welcome ceremony took place at the wharf.

The national anthems of the two countries were played.

Wang Jiying, accompanied by Kim Yun-sim, reviewed a guard of honor of the KPA Navy.

A band was included in the formation of CPLA warships.

The sailors of the warships then laid a floral basket and made bows before the statue of the great leader President Kim Il-song standing in the city.

Written on the ribbon hanging from the basket were letters "Comrade Kim Il-song, the great leader of the Korean people, is immortal".

DPRK: Nampo Party, Government Leader Meet Officers of PRC Ships

SK1007130696 Pyongyang KCNA in English
1300 GMT 10 Jul 96

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — Pak Sung-il, chief secretary of the Nampo Municipal Committee of the Workers' Party of Korea and chairman of the Nampo Municipal People's Committee, met and had a friendly talk with commanding officers of the warships of the navy of the Chinese People's Liberation Army led by Vice Admiral Wang Jiying, commander of the North China Sea Fleet, when they paid him a courtesy call today.

Present on the occasion were Chairman of the Nampo Municipal Administrative and Economic Committee Pang Yong-tok, KPA Vice Admiral Kim Yun-sim and other Korean officials concerned and Military Attache Liu Jianhua and Councillor Song Masuo of the Chinese Embassy here.

DPRK: Commander of KPA Navy Meets Officers From PRC Warships

SK1007131396 Pyongyang KCNA in English
1301 GMT 10 Jul 96

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — Admiral Kim Il-chol, commander of the Navy of the Korean People's Army [KPA], met and had a friendly talk with commanding officers of the warships of the

Navy of the Chinese People's Liberation Army led by Vice Admiral Wang Jiying, commander of the North China Sea Fleet, when they paid him a courtesy call today.

Present on the occasion were KPA Vice Admiral Kim Yun-sim and Military Attache Liu Jianhua and Councillor Song Masuo of the Chinese Embassy here.

DPRK: Ministry of People's Armed Forces Fetes PRC Warships

SK1007131996 Pyongyang KCNA in English 1307 GMT 10 Jul 96

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — The Ministry of the People's Armed Forces gave a banquet for warships of the Navy of the Chinese People's Liberation Army (CPLA) in Nampo this evening.

The warships is led by Vice Admiral Wang Jiying, commander of the North China Sea Fleet of the CPLA Navy.

In his speech at the banquet, KPA [Korean People's Army] Vice Admiral Kim Yun-sim wished the Chinese people and the CPLA soldiers fresh success in the endeavours to fulfill the Ninth Five-Year Plan, attain the long-range objectives till 2010 and build elite armed forces with Chinese characteristics through the concerted efforts of the whole country and the whole army under the leadership of the third generation headed by respected Comrade Jiang Zemin.

The Korean and Chinese peoples and armies will fight shoulder to shoulder as ever in the sacred struggle to defend and develop socialism and preserve peace in Asia and the rest of the world, he added.

In his speech, Wang Jiying said the Chinese people and army greatly value Sino-Korean friendship.

To develop the traditional friendship between the two countries is a consistent policy of the Chinese party and government, Wang said, expressing the belief that this friendship will develop generation after generation.

He noted that the Korean people and army are vigorously advancing for socialist construction and the independent reunification of the country under the leadership of Comrade Kim Chong-il, supreme commander of the Korean People's Army, and the Workers' Party of Korea.

He expressed the belief that the Korean people will achieve greater success in the future efforts.

DPRK: Chongnyon Central Committee Sends Letter to Kim Chong-il

SK0807103596 Pyongyang KCNA in English 0417 GMT 8 Jul 96

[FBIS Transcribed Text] Pyongyang, July 8 (KCNA) — The great leader Marshal Kim Chong-il received a letter from the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) Sunday on the occasion of the second anniversary of the great leader Generalissimo Kim Il-song.

The letter says, "In the two years after the respected Generalissimo Kim Il-song passed away we Korean residents in Japan have keenly felt what a great and tender-hearted man the leader of our nation was and how happy the nation was under his guidance."

The generalissimo, who embarked on the road of revolution in his early years, founded the immortal chuche idea and led the two revolutionary wars and the social revolution of two stages, socialist construction of several stages, and the national cause of reunification only to victory and glory, it stresses. He was a peerlessly great man, the father of socialist Korea and the great sun of humankind, who opened up a new epoch of independence in history of the world and the chuche era, it adds.

It notes that under the great leadership and warm care of the fatherly leader Generalissimo Kim Il-song, Koreans in Japan could become overseas citizens of chuche Korea with national dignity and honor, free from the miserable fate of stateless nation, and proudly make a world model of overseas compatriots movement, admired and praised by peoples all over the world.

"Indeed, Generalissimo Kim Il-song, though he passed away, represents our Korea and Chongnyon, the glory of our nation and humankind, the great and benevolent, eternal sun that the entire fellow countrymen and the world people entrust their destinies to and follow forever," the letter says.

It goes on:

"It is our unshakable faith and indomitable will that General Kim Chong-il is Generalissimo Kim Il-song today and we will win certainly as we are led by the general. "Chongnyon will always remain the organization of the generalissimo as well as an overseas patriotic organization intensely loyal to the general, and more creditably discharge its honorable mission of defending the national rights and interests of Korean residents in Japan and serving for the revolutionary cause of chuche."

The letter sincerely wishes Marshal Kim Chong-il a long life in good health.

DPRK: French-Based Diplomat Condemns Japan's Attitude

BR1107094696 Paris AFP in French
1432 GMT 10 Jul 96

[FBIS Translated Text] Paris, 10 Jul (AFP) — On Wednesday [10 July] a North Korean official sharply criticized Japan's "hostile policy" toward North Korea, warning that this would "increase tension" on the Korean peninsula.

The DPRK's (Democratic People's Republic of Korea) representative to France, Pak Dong Chun, denounced Tokyo's attitude at the summit of the world's seven most highly industrialized countries (G-7) in Lyon in late June, stating that "Japan alone behaved very badly."

According to the official, who was addressing the press, Tokyo is behind the call by the G-7 and Russia for Pyongyang to open "dialogue" with South Korea and for "support" for the proposal for four-way negotiations (China, the United States, and the two Koreas).

The Communist regime in Pyongyang has still not replied to this proposal which was made public on 16 April by both Washington and Seoul and which seeks to replace the armistice agreement which ended the Korean war in June 1953.

The North Korean diplomat described Japan's position as "humiliating and dishonoring".

"Japan, which prides itself on being an economic power and wants to become a political power, is labelled as a 'political dwarf' because of the meanness of its diplomacy and its docility toward a puppet (country) like South Korea," Mr. Pak Dong Chun stated.

"It is obvious that if Japan continues to pursue its policy of hostility toward the DPRK and its preferential policy toward South Korea (...) this will only increase tension in the South Korean peninsula," the North Korean official added.

North Korea has always refused to negotiate directly with the South Korean Government whose legitimacy it denies and wants a peace agreement with the United States.

In 1992 Tokyo and Pyongyang broke off discussions on normalizing relations.

DPRK: Yeltsin's Election as Russian President Reported

SK1107020196 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 10 Jul 96

[FBIS Translated Text] According to a report by ITAR-TASS, the second round of voting for election of the Russian president was conducted on 3 July. The current final voting was conducted for the two candidates, current Russian President Boris Yeltsin and Gennady Zyuganov of the People's Patriotism Bloc, who won the highest number of votes in the first round of voting held on 16 June.

According to the official results of the second round of voting released by the Central Election Committee of the Federation of Russia on 9 July, Yeltsin won 53.8 percent of the vote and Zyuganov won 40.3 percent.

Of those participating in the second round of voting, 3.6 million people reportedly voted against the two candidates.

The current second round of voting drew participation from 68.89 percent of eligible registered voters, 1 percent less than in the first round of voting.

The Central Election Committee of the Federation of Russia announced that as a result of the second round of voting Yeltsin has been elected the Russian president with a four-year term of office."

DPRK: Government Sends Congratulations to Russia's Yeltsin

SK1107123896 Pyongyang KCNA in English
1050 GMT 11 Jul 96

["Greetings to Russian President" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 11 (KCNA) — The Central People's Committee of the Democratic People's Republic of Korea Wednesday sent a message of greetings to B.N. Yeltsin upon his reelection as Russian president.

The message expressed the conviction that the relations of good neighbourhood, friendship and cooperation between the DPRK and Russia would develop in the interest of the peoples of the two countries.

DPRK: SPA Delegation Meets Mexican Political Leaders

SK0707084396 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 4 Jul 96

[FBIS Translated Text] A delegation of the DPRK Supreme People's Assembly [SPA], headed by SPA

Chairman Yang Hyong-sop, met the chairman of the Mexican Chamber of Deputies on 25 June.

The chairman of the Mexican chamber stated that the DPRK Government and people are building DPRK-style socialism in accordance with the real conditions of the DPRK. He hoped that the DPRK Government would continuously garner great achievements in the struggle to build the socialism chosen by the people themselves.

He stressed that the SPA delegation's visit to Mexico will greatly contribute to enhancing understanding between the governments, congresses, and people of the two countries and improving friendly and cooperative relations.

The delegation attended a meeting to form a Mexico-DPRK congressional friendship group. The delegation met groups of deputies from the Mexican National Action Party, the Democratic Revolutionary Party, and the Labor Party.

The chief of a group of Labor Party deputies in the Chamber of Deputies asked the head of the delegation to convey warm greetings from the Labor Party lawmakers of the Chamber of Deputies to the great leader [yongdoja] Comrade Kim Chong-il.

On that day, the delegation was invited to a banquet thrown by the Mexican Chamber of Deputies. The delegation met and talked with the chairman of the Mexican Publication Association and the acting foreign minister. The acting foreign minister said he thinks highly of the DPRK Government's independent foreign policy and that he will improve friendly and cooperative relations between the two countries in various areas of economy, politics, and culture in the future.

On 27 June, the delegation met the chairmen of the Mexican Senate and the municipal assembly of Mexico City. The chairman of the Mexican Senate expressed his support for the DPRK's independent policy, which is thriving and prospering under the leadership of the respected His Excellency Kim Chong-il, and said the Mexican Government and Congress will expand and improve friendly and cooperative relations with the DPRK.

DPRK: Kim Yong-nam Sends Greetings to Venezuelan Counterpart

SK0607115496 Pyongyang KCNA in English 1133 GMT 6 Jul 96

[FBIS Transcribed Text] Pyongyang, July 6 (KCNA) — Foreign Minister Kim Yong-nam sent a message of greetings to Miguel Angel Burelli Rivas, foreign minister of Venezuela, on the occasion of the independence day of Venezuela.

The message expressed the belief that the friendly and cooperative relations between the two countries would continue to develop on good terms, and wished him greater success in his responsible work.

DPRK: PRC 'Friendship' Delegation Visits Kim Il-song Statue

SK1007110896 Pyongyang KCNA in English 1055 GMT 10 Jul 96

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — A Chinese friendship delegation led by Luo Gan, state councillor and secretary general of the State Council, visited the statue of the great leader President Kim Il-song on Mansu Hill today to pay respects to him.

It was accompanied by Vice-premier of the DPRK Administration Council Chang Chol, Vice Foreign Minister Choe U-chin and Chinese Ambassador to Korea Qiao Zonghuai.

The delegation laid a floral basket and made bows before the statue.

A guard of honor of the Korean People's Army was standing in front of the statue.

DPRK: Sailors of PRC Warships Lay Basket at Kim Il-song Statue

SK1007132596 Pyongyang KCNA in English 1303 GMT 10 Jul 96

[FBIS Transcribed Text] Pyongyang, July 10 (KCNA) — The sailors of the visiting warships of the Navy of the Chinese People's Liberation Army led by Vice Admiral Wang Jiying, commander of the North China Sea Fleet, today laid a floral basket before the statue of the great leader President Kim Il-song in Nampo.

Standing in front of the statue was a guard of honor of the Korean People's Army [KPA].

Present on the occasion were Vice Admiral Kim Yun-sim, generals and officers of the KPA, and Liu Jianhua, military attache of the Chinese Embassy here.

After laying a floral basket before the statue, those present there made respects.

Written on the ribbon of the floral basket were letters reading: "The great leader of the Korean people Comrade Kim Il-song is immortal".

DPRK: Visiting PRC Sailors Visit Kumsusan Memorial Palace

SK1107091996 Pyongyang KCNA in English 0838 GMT 11 Jul 96

["Chinese Sailors Pay Respects to President Kim Il-song" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 11 (KCNA) — The commanding officers and sailors of the formation of warships of the Navy of the Chinese People's Liberation Army led by Vice Admiral Wang Jiying, commander of the North China Sea Fleet, today visited the Kumsusan Memorial Palace in which the Great Leader President Kim Il-song lies in state.

Admiral Kim Il-chol, Vice Admiral Kim Yun-sim of the Korean People's Army and military attache of the Chinese Embassy here Liu Jianhua were present on the occasion.

They paid their deep respects to President Kim Il-song, who is preserved in state.

Wang Jiying said that Comrade Kim Il-song was the great leader of the Korean people and a close friend of the Chinese people and he will be immortal in the hearts of the Korean and Chinese peoples.

He expressed the conviction that under the leadership of Supreme Commander Comrade Kim Chong-il the Korean people and People's Army will achieve greater success in the future struggle for socialist construction true to the behests of President Kim Il-song.

DPRK: Chang Chol Accompanies PRC Delegation to Kumsusan Palace

SK1107124296 Pyongyang KCNA in English 1052 GMT 11 Jul 96

[FBIS Transcribed Text] Pyongyang, July 11 (KCNA) — The Chinese friendship delegation led by Luo Gan, state councillor and secretary general of the State Council of the People's Republic of China, today visited the Kumsusan Memorial Palace in which the Great Leader President Kim Il-song lies in state.

Present on the occasion were Vice-Premier Chang Chol, Vice Foreign Minister Choe U-chin and Chinese Ambassador to the DPRK Qiao Zonghuai.

They paid their deep respects to President Kim Il-song, who is preserved in state.

Luo Gan wrote in the visitor's book that President Kim Il-song remains alive in the hearts of the Chinese and Korean peoples.

The visiting delegation of the Chinese People's Association for Friendship With Foreign Countries (CPAFFC) and the China-Korea Friendship Association led by Su Guang, vice-president of the CPAFFC, also paid homage to President Kim Il-song at the Kumsusan Memorial Palace today.

The leader of the delegation made an entry in the visitor's book.

DPRK: Foreign Diplomats, Others Leave Flowers at Mansu Hill

SK0707081796 Pyongyang KCNA in English 0719 GMT 7 Jul 96

[FBIS Transcribed Text] Pyongyang, July 7 (KCNA) — Diplomatic envoys and embassy officials of China, Cambodia and Yemen and economic and commercial councillors corps in Pyongyang laid floral baskets before the statue of the great leader President Kim Il-song on Mansu Hill and made bows on July 6 on the occasion of his second death anniversary.

Floral baskets sent by Japanese organizations and individual figures were laid before the statue on July 4 and 5.

Among them were the Liaison Council of Societies for the Study of the Chuche Idea of Japanese Teachers, the Japan-Korea Society for Scientific and Educational Interchange, the Chiba Prefectural Society for the Study of the Chuche Idea in Japan, Masagazu Yokobori, secretary general of the Liaison Council of Societies for the Study of the Chuche Idea of Japanese Teachers, Yoshiito Honma, chairman of the Executive Committee of the Chiba Prefectural High School Teachers' Union in Japan, Koske Tokida, chairman of the Chiba Prefectural Ichihara Society for the Study of Korean Affairs in Japan, the Chiba Prefectural Teachers' Union in Japan, Katsuko Matsuda and Ko Ishimoto, members of the Korean Affairs Institute of the Chiba Prefectural Ichikawa Teachers' Union in Japan, Toko Shiono, president of the Chiba Prefectural Choshi Korean Affairs Institute in Japan, and teachers of Keiai Kakuen High School in Chiba Prefecture, Japan.

DPRK: Kim Il-song 'Devoted' Life to Reunification Cause

SK0707082296 Pyongyang KCNA in English 0732 GMT 7 Jul 96

[FBIS Transcribed Text] Pyongyang, July 7 (KCNA) — "Kim Il-song July 7, 1994" is the last autograph left by the great leader President Kim Il-song in a document concerning national reunification a day before he passed away two years ago.

Until the last moment of his precious life, he had made tireless efforts to open a new phase of national reunification. Without taking a rest, he read a lengthy document concerning the reunification of the country and left the immortal letters on the first page of the document.

Since the country was divided half a century ago, he had made every possible effort for the country's reunification, always concerned about the nation's misfortune and sufferings.

In his lifetime he would say the biggest thing he could give the Korean people was national reunification. He said if the country were reunified, he would feel ten years younger than his age and he had been afraid that he would not reunify the divided country before his death.

His whole life was devoted to the cause of national reunification.

He was, indeed, the lodestar of reunification and the tender- hearted father of the nation who did everything to reunify the country and reconnect the blood ties of the nation, without taking a rest even a day.

The three principles and five-point policy of national reunification, the proposal for confederation, the 10-point programme of the great unity of the whole nation and other great principles and ways of national reunification put forward by the president illumine a shortcut to reunification.

But the Korean nation could not see President Kim Il-song, whom it acclaimed as its first great leader in its history spanning 5,000 years, standing on the platform of the plaza of reunification.

Nobody thought that national reunification would remain his behest.

Today the Korean nation is determined to carry out the behest, recollecting his efforts for the reunification of the country.

President Kim Il-song clearly indicated ways of winning national reunification and the great leader Comrade Kim Chong-il is wisely guiding the struggle for reunifying the country as intended by the president.

Comrade Kim Chong-il said President Kim Il-song finished up all his work except national reunification but he paved the way for reunification in his lifetime. He also said he, true to the president's behest, would achieve national reunification.

A monument to the president's last autograph was erected at Panmunjom in August last year on the occasion of the 50th anniversary of national liberation. It reflects all the Korean people's strong will to fulfill the president's behest for reunification at any cost.

DPRK: Seventh Volume of Kim Il-song's Reminiscences Published

SK0807104596 Pyongyang KCNA in English 0850 GMT 8 Jul 96

[FBIS Transcribed Text] Pyongyang, July 8 (KCNA) — The seventh volume (continuation) of the anti-Japanese revolution, the first part of the great leader President Kim Il-song's reminiscences "With the Century", has recently been printed by the Workers' Party of Korea Publishing House.

It is based on summaries and posthumous manuscripts of the reminiscences which President Kim Il-song wrote in his life time, his sayings about what he saw and experienced during the arduous revolutionary activities and many historical documents kept in the party's archives.

The seventh volume covers the period from November 1937 when military and political study was made at the Matanggou Secret Camp after the most difficult trials were overcome and a new upsurge was being effected in the heroic anti-Japanese armed struggle to March 1940 when the Hongqihe Battle took place.

Seen in the first pages of the volume are a picture of President Kim Il-song, his face beaming like the sun, and the great leader Comrade Kim Chong-il's proposition that the president deeply loved and believed in the people as in heaven and devoted his all to their freedom and happiness in his whole life, undergoing all manner of trials.

Printed in the volume are a picture of summaries written by the president, a picture of him conversing with Ma Tong-hui's mother at her house, pictures of O Chung-hop and other anti-Japanese revolutionary fighters, pictures showing battles in Musan and other areas, pictures showing articles carried by foreign press expressing reverence for him, pictures regarding the complicated international situation at that time, etc.

The book consists of three chapters "Overcoming Trials", "Toward New Upsurge in Revolution" and "Gun Report of Large-Unit Circling Operation". And the chapters are made up of 21 passages including "Matanggou Secret Camp", "Last Unit of Independence Army", "Rehe Expedition", "Grandmother Yi Po-ik", "Arduous March", "Revolutionary Principle of Female Fighters", "O Chung-hop and his Seventh Regiment" and "'Let Us Defend the Soviet Union With Arms!'"

It also contains the president's recollections about historical facts and explanations of when and how he recollected them.

DPRK: Toksong County Electricity Situation Reported

SK0707103696 Pyongyang Korean Central Television Network in Korean 1100 GMT 28 Jun 96

[FBIS Translated Text] By upholding the behest teachings of the great leader [suryongnim], Toksong County has built many medium- and small-size power stations, and normalized their operation.

[Begin recording of Chang Kuk-son, vice chairman of Toksong County Administrative and Economic Committee]

There are many power stations in Toksong County. Even now, the county is continuing to build many more stations. Each work team in many ris [villages], including Nagwon and Samki, has a medium- or small-size power station, and many plants, enterprises, and organizations in the county also have their own power stations.

This being the case, farms, plants, enterprises, and organizations in the county have normalized not only lighting, but also production, without using the nation's electric power [naraui chonki]. By operating flour mills and noodle factories with their own electric power, they offer conveniences to the people lives.

Along with this, they heat using their own power, and thus greatly contributed to enhancing the people's cultural and recreational lives [munhwa chongso saenghwal].

The fact that Toksong County could build medium- and small-size power stations and make achievements in operating them is entirely attributable to the wise leadership and benevolence of the great leader [suryongnim] and the respected and beloved general.

The great leader [suryongnim] and the respected and beloved general paid many visits to Toksong County, a remote mountain county far from Pyongyang, despite the rugged course, and he put forward a bright path for the county to advance along.

In particular, the great leader and the respected and beloved general taught that Toksong County, a mountain county with many rivers and streams, should build many medium- and small-size power stations, showed concrete methods for this, and provided us with necessary facilities and materials.

Today the people in Toksong County, who are indebted to the construction of medium- and small-size power stations, are keenly aware that we who lived in darkness and did not even have a lamp before the nation's liberation can produce electricity ourselves thanks to the benevolence of the great leader and the respected and beloved general. Thus we have benefited from electric power. We are indeed grateful to the great leader and the general for this.

We will see to it that all work teams at farms, enterprises, and plants in the county build their own medium- and small-size power stations within the next few years and operate them normally.

Thus, the county will resolve not only lighting and production issues, but also even heating issues, with power produced ourselves and without using the nation's electricity. [end recording]

South Korea

ROK Studies Linking Sharing of USFK Expenses to SOFA Talks

SK1107111996 Seoul TONG-A ILBO in Korean 11 Jul 96 p 1

[By reporter Pak Che-kyun]

[FBIS Translated Text] It was learned on 10 July that the ROK Government — in case the United States continues to show insincerity toward revising the Status of Forces Agreement [SOFA] in the future — is reviewing active measures to link the issue of bearing the defense cost of the U.S. Forces in Korea to the ongoing negotiations for revising the SOFA.

The agreed amount of the defense expenses that the ROK side should bear this year is $330 million, and the two countries have already agreed that this amount will increase 10 percent per year by 1998.

Accordingly, a government source has revealed that the ROK Government will sooner or later inform the U.S. side through diplomatic channels of its stance that it will link progress in the SOFA negotiations with the U.S., scheduled to be held in the beginning of 1998, to its negotiations with the United States on sharing defense expenses for the U.S. Forces in Korea for 1999.

Along with this, the ROK Government also plans to urge the United States to make "a political decision" regarding the SOFA negotiations when Anthony Lake, White House security advisor, visits the ROK on 14 July.

The two countries of the ROK and the United States started negotiations on the issue of revising the SOFA last November after a violent incident on a Seoul subway involving U.S. soldiers. Since then, however, there has been no progress in the negotiations.

ROK: U.S. 'Offensive' Against ROK Trade Barriers Viewed

SK1107113796 Seoul HANGUK ILBO in Korean 11 Jul 96 p 1

[By Washington-based correspondent Yi Sang-u]

[FBIS Translated Summary] U.S. export business circles are assuming an "omnidirectional offensive" against the ROK, calling for an "unexceptional opening" of the ROK market in everything from cars to almonds. This has been revealed in complaints filed with the U.S. Trade Representative [USTR] respectively by the American Automobile Manufacturers Association [AAMA], representatives of U.S. citrus products and almond cultivators and distributors, and securities firms over some countries' "unfair trading practices."

The U.S. Administration is supposed to draw up a list of countries that have unfair trading practices by 30 September in accordance with the Super 301 provision of the trade law. With this, U.S. business circles are intensively seeking ways to capture the ROK market.

In particular, the AAMA wants the ROK and Indonesia to be reclassified as a new group called "major trade expansion partners" whose unfair trading practices are considered a grade higher than those of "priority negotiation partners." This is regarded as an "undisguised threat," compared with the association's recommendation that Japan, India, and Malaysia be reclassified as "other priority negotiation partners." This is also interpreted as a "result of its sensitive reaction" to the tariff-free preference for a certain period of time which has been given by the ROK Government to Indonesian automobile firms engaged in developing joint ventures with ROK automobile companies. The U.S. automobile business circles' "highly nervous reaction has also been confirmed through the AAMA's demand that the USTR mobilize 'all possible means' toward Indonesia and the ROK."

The United States alleges that the ROK has raised tariffs for jeeps, running counter to the 1995 ROK-U.S. memorandum on automobile trade. However, trade experts in Washington consider this an "act to make a false charge and find a ruse" for trade pressure on the ROK. The ROK Government has brought forth a "reasonable counterargument" that because the bill on the tariff increase for jeeps was passed before the memorandum was signed, the tariff increase is not a violation of the standstill clause of the memorandum.

Sunkist, a U.S. business cooperative raising citrus fruit such as oranges and lemons; Blue Diamond, a U.S. almond exporting company; and the U.S. Investment Businesses Association have also complained about trade barriers in the ROK market. A trade expert said that "'with the November presidential election, U.S. businesses are intensifying their lobbying of the government,'" adding that "'the ROK should be careful to prevent its economy from falling victim to U.S. domestic politics this year.'"

ROK: MOTIE: U.S. Should Stress Broad ROK Market Opening

SK1107082296 Seoul YONHAP in English 0752 GMT 11 Jul 96

[FBIS Transcribed Text] Seoul, July 11 (YONHAP) — The United States should focus its trade diplomacy on opening up a market as a whole rather than targeting specific sectors like automobiles and telecommunications, Minister of Trade, Industry and Energy Pak Chae-yun said Thursday.

American firms ran a trade surplus of 6.3 billion U.S. dollars with South Korea last year and 4.3 billion dollars in the first five months of this year alone, in contrast to their substantial trade imbalances with Japan (60 billion dollars) and China (34 billion dollars) in 1995, he said.

"In this respect, Korea is unique among American major Asian trading partners," Pak pointed out, "in view of this, many Koreans wonder why there remains trading conflicts between the U.S. and Korea in such sectors as automobiles, telecommunications and agriculture."

The minister was speaking at a luncheon of the ninth Korea-U.S. business conference at the Seoul Intercontinental Hotel. The conference, launched in 1986 as a forum for business leaders of the two countries, is alternately held in South Korea and the United States every year.

Pak also urged support for a bilateral business cooperation committee agreed upon by the two sides last year, stressing that the future of Korean-U.S. relations would be dictated more and more by the private sector.

"Among close friends such as the U.S. and Korea, neither side needs to be reticent about offering each other helpful advice."

New business and investment opportunities here are constantly spring up, [as received] particularly for American firms, reflecting South Korea's drive to liberalize and open its market further and its desire to join the Organization for Economic Cooperation and Development (OECD).

"For Korea and, I hope, the rest of the world, OECD membership will serve as a further confirmation of Korea's firm committment to globalization in economic and other spheres."

Though the nation's economy is currently plagued by a worsening trade deficit and inflationary pressures, it is nonetheless expected to grow by 7 to 7.5 percent this year, the nation's top trade official noted.

"American businessmen can, thus, be reassured that the Korean economy continues to be one of the most robust and fastest-growing in the world."

ROK: U.S. Methodists Discuss Trip to DPRK, Relief Efforts

SK1107101396 Seoul YONHAP in English 0953 GMT 11 Jul 96

[FBIS Transcribed Text] Seoul, July 11 (YONHAP) — Four Korean-American officials of the U.S. United Methodist Church visited North Korea July 2-9 to deliver rice and dried milk to North Korean Christian authorities.

An official at the Korean National Council of Churches (KNCC) said Thursday Ham Song-kuk in charge of the Asia-Pacific Area, World Missionary Department of the American United Methodist Church delivered 10 container loads of rice and one container load of powdered milk to the North Korean Christian Federation.

"The visitors toured Huichon, Chagang Province and other flood- stricken areas, through which it was found that flood damage and food problems were serious in the North," he said.

Disclosing that his KNCC had collected more than 200 million won for use in relieving North Korean flood victims, the official said, "we are looking for a proper way of delivery."

The American church officials arrived in Seoul Thursday via Beijing and are set to give a press conference Friday morning to discuss what they saw in the North.

ROK Decides on 'Task Force' To Find Pro-DPRK Network Sites

SK0607061296 Seoul THE KOREA TIMES in English 6 Jul 96 p 3

[FBIS Transcribed Text] The government has decided to set up a task force responsible for monitoring postings on the Internet and PC networks that "glorify" North Korea.

Also in a meeting of representatives from the Supreme Public Prosecutor's Office, the Agency for National Security Planning and other security related agencies yesterday, they decided to crack down on violent student protests.

The meeting was called with a view to map out measures to "uproot leftist elements" following the rapid spread of the postings on the computer networks, due to the anonymity they provide, and as student demonstrations are turning violent.

Particularly what prodded the government into action was the recent discovery of the late North Korean leader Kim Il-song's instructions on class struggle which were sent via fax to the secretariat of the student dissident group Hanchongnyon. In the meeting, the participants concluded that the spread of propaganda through computer networks can't be prevented unless countermeasures are taken immediately.

As a first step, a squad will be formed to keep tab on such material on the Internet and other key PC networks and, if necessary, track down their source.

As to violent student demonstrations, it was agreed that holding a police officer hostage during a demonstration is tantamount to an act of terrorism. The participants decided to send riot police onto campuses if a demonstration turns violent.

ROK: 'Influential' Minister Urges 'Unconditional' Aid to DPRK

SK1107101896 Seoul YONHAP in English 0959 GMT 11 Jul 96

[FBIS Transcribed Text] Seoul, July 11 (YONHAP) — An influential Christian leader on Thursday called for the unconditional provision of foods to famine-threatened North Korea.

"Rice and other foods should be sent to the hungry North Korean compatriots. To this end, our church should take the lead," Rev. Kang Won-yong, chairman of the Christian Academy, said.

In a lecture at the Christian Centenary hall at Yanghwajin, Seoul, Kang said, "To unconditionally give something to eat to starving persons is an act of concretely practicing the love of Christ beyond the issue of brotherly love or humanitarianism."

He said it is infeasible to attain unification by force of arms or by absorbing North Korea. "Such unification is only prone to bring about the fall of the Korean nation or a civil war," he warned.

Even if it takes time or is difficult to accomplish, Kang said, efforts should be made to achieve unification by easing tension and expanding exchanges in a peaceful manner.

"We all should do all we can to defreeze the frozen minds of the South and the North and to expand our brotherly love," Rev. Kang said.

ROK: DPRK Resident Defects to ROK by Crossing Han River

SK1107020996 Seoul YONHAP in English 0127 GMT 11 Jul 96

[FBIS Transcribed Text] Seoul, July 11 (YONHAP) — A North Korean resident defected to South Korea early Thursday morning after he swam into the downstream area of the Han River near Kanghwa Island, the Defense Ministry said.

Choe Sung-chan, 29, was found by two South Korean marines while he was swimming in the lower reaches of the river at 2:45 AM and was immediately rescued, the ministry said. He is being investigated by authorities concerned about his motives for defecting.

The defector reportedly told the soldiers that he was starving and hadn't ate anything for three days. Choe was first found by Corporal Son Tong-hyon and Private Sok Sang-pom of the Second Marine Division.

Choe reportedly said that he decided to defect due to the severe hardships of life in North Korea, according to investigators.

Choe reportedly left his home in Pusan-tong, Kaesong, at 8 PM Monday and walked to the Yesong River Wednesday night. He then swam 13 kilometers to cross the Military Demarcation Line with three bicycle tubes coiled around his body.

A ministry spokesman said Choe had worked at a brick factory since he was discharged from the military in 1993. He served in the 38th Aviation Brigade for 10 years, according to the spokesman.

The North Korean defector was wearing shorts and a T-shirt when he arrived and had two 50-won North Korean bank notes with him.

ROK: PRC Said To Adopt 'Soft-Landing Strategy' Toward DPRK

SK1007090096 Seoul CHOSON ILBO in Korean 10 Jul 96 p 6

[By reporter Ku Song-chae]

[FBIS Translated Text] Relations between the PRC and North Korea have become considerably closer. Cooperation in political and economic fields as well as exchanges in the military sector, including the weapons field, have become conspicuous.

The PRC dispatched a formation of naval warships to North Korea on 8 July. This is to participate in a ceremony to mark the 35th anniversary of the signing of the DPRK-PRC Treaty of Friendship, Cooperation, and Mutual Assistance that was concluded in 1961. The ceremony is slated for 11 July in Pyongyang.

It is the first time for a formation of PRC naval warships to visit North Korea since China and the ROK established diplomatic relations in 1992. It is not known whether such military exchanges were held prior to the establishment of diplomatic relations between the PRC and the ROK.

It is customary for North Korea to hold large-scale celebrations every five years commemorating various events. China's consideration this time, however, is quite unprecedented. Leading the congratulatory formation is Vice Admiral Wang Jiying, commander of the North China Sea Fleet; and Luo Gan, secretary general of the State Council General Office and state councillor, will also participate as one of the members of the government delegation.

Prior to this, on 30 June, Chong Chang-yol, vice minister of North Korea's People's Armed Forces, visited Beijing heading a military delegation. During his talks with Zhang Wannian, vice chairman of the CPC Central Military Commission, Vice Minister Chong agreed that firmly consolidating "perpetual" relations between the militaries of the two countries will contribute to security and stability within this region.

It was learned that the PRC has been continuing to supply weapons to North Korea. They say they are not high-quality weapons but middle-level weapons. It was also learned that the PRC Embassy side in Pyongyang participated in the memorial service of the second anniversary of the death of Kim Il-song on 8 July and expressed condolences.

Cooperation in the economic field between the two countries is active. In May, the PRC provided 20,000 tonnes of food to North Korea. In June, China provided coke to the North. In addition, it is believed that the material assistance to North Korea, which has not been made public by the PRC, amounts to 1 million tonnes each in the field of food and energy. The PRC Red Cross Society carried out relief activities in flood-stricken regions of North Korea for four months beginning January.

North Korea's radios uses the following propaganda passages expressing recent relations with the PRC: "Friendship between the PRC and North Korea has been established in blood and the friendship has overcome all difficulties."

It does not mean that peace and security on the Korean peninsula is being hampered just because PRC-North relations have become close. However it seems certain t[illegible]: China has adopted the American-style "soft-landing strategy" in its policy toward North Korea.

ROK: DPRK Viewed on 2d Anniversary of Kim Il-song's Death

SK0807050696 (Internet) The Digital Chosun Ilbo WWW in English 1153 GMT 7 Jul 96

[Editorial: "Two Years After Kim's Death"]

[FBIS Transcribed Text] Two years have passed since Kim Il- song's death. However the North is still relying on the instructions left by the late Kim for future governance after his death.

Apparently it has been a failure. Nothing has improved since his death. The most serious manifestation is the scarcity of food for the people. The regime which is not capable of feeding its people has no reason to exist. The North Korean authority claims that it is due to last year's flood, but the heart of the problem can be found in the failed "Chuche" agricultural system, which was conceived by Kim Il-song and further developed by his son.

Doubt as to whether Kim Chong-il will assume formal power is growing. He does not seem capable of controlling or exerting any power in the system. In spite of this, North Korea shows no signs of being willing to seize the golden opportunity after Kim Il-song's death to make much needed changes. Rather it is said that the North will extend mourning period by one more year. Maybe there are no new tasks worthy of pursuing, and maybe no far more appealing methods of maintaining the current system can be found except by continuing to praise the late Kim.

But the higher the praises become for the late Kim, the more difficult it will be to open his son's era. Due to the fundamental contradiction that exists in the system, there has been no improvement after Kim Il-song's death, leading to further doubts of Kim Chong-il's ability as leader.

However, if North Korea changes its thinking, there are many ways that it can leave its dire circumstances. China, already 20 years ago, and Russia, 10 years ago, followed the path of reformation and liberalization. Communist countries in Indochina and Cuba are also seeking change. It is really absurd that only North Korea is waiting for self-destruction, engulfed in a system and ideology which has proved unsuccessful. We need a multilateral effort to lead North Korea away from the shadow of the two Kims.

ROK Deciding Whether To Allow Firms To Attend DPRK Forum

SK0807062396 Seoul THE KOREA HERALD in English 8 July 96 p 2

[By staff reporter Pae Un-chu]

[FBIS Transcribed Text] North Korea, which is gripped by food shortages and other economic difficulties, is wooing foreign investment to its free-trade zone.

While inviting foreign businessmen to visit the free-trade zone, North Korea is planning to send a high-powered delegation abroad to brief potential investors on incentives available to them.

But the potentially dominant investors—South Korean businessmen—may not be given a chance to meet with the North Korean delegation and visit the Najin-Sonbong free-trade zone.

Last October, North Korea invited 60 South Korean businessmen to attend an investment seminar in Beijing. But the South Korean government did not allow any of them to attend the event.

The stumbling block is politics between South and North Korea, which are still technically at war. Political decisions govern business and all other relations between the two sides.

The South Korean government may prohibit private organizations from participating in an investment forum, scheduled to be held in the Najin-Sonbong free-trade zone in September.

A South Korean official said the South Korean government may withhold permission to a religious group, the Ezra Foundation, to visit the Najin-Sonbong area. The group has been organizing a North Korean trip by prospective South Korean investors.

"We have yet to decide whether or not we will allow the South Korean group to attend the forum in North Korea," said the official from the Ministry of National Unification.

He said the South Korean government will consider progress in overall inter-Korea relations when it makes a final decision on the Ezra Foundation case.

Given the current relations between South and North Korea, he said, "It seems inappropriate for members of the Ezra Foundation to attend the investment forum (in North Korea)."

South Korean relations with North Korea have turned from bad to worse since the North Korean military launched provocations in the Demilitarized Zone (DMZ) in April to dismantle the Armistice Agreement, which ended the Korean War in 1953.

Later that month, South Korea and the United States offered to meet with North Korea and China to replace the fragile truce arrangement with a permanent peace formula. North Korea has yet to make a formal response to the proposal for four-way peace talks.

It is the South Korean policy not to provide food aid for and promote economic cooperation with North Korea until it accepts the proposal.

Under this policy, the South Korean government is withholding permission t???!??J?a Foundation to@??Y@??y??Oth ?ter U.N. conferences in Beijing.

On Sept. 9-11, the U.N.?@???y??5?nt ?rogram and the U.N. Industrial Development Organization will sponsor seminars on the Tumen River Area Development Program, which encompasses the Najin- Sonbong region in North Korea.

North Korea is planning to invite businessmen attending the U.N. seminars to visit the Najin-Sonbong region Sept. 13-15. It has sent an invitation to the Ezra Foundation, which participated in a briefing on the U.N. seminars last month.

When it received the invitation, the Ezra Foundation started to gather South Korean businessmen wishing to participate in the North Korean investment forum.

But the Ministry of National Unification told the Ezra Foundation not to contact South Korean corporations about the North Korean investment forum.

"They are acting as a broker for North Korea," said a ministry official.

The Ezra Foundation rebutted the accusation .

An Ezra official said, "We are a religious organization. But we believe that we should do everything we can to help create a milieu favorable to reunification," he said. "We believe we can contribute much to reunification."

He said that the Ezra Foundation, headed by the Rev. Cho Tong- chin of the Presbyterian Church, has 3,000 members nationwide and has been contacting North Korean religious leaders and other dignitaries over the past 10 years. It aims to reestablish churches in the Communist state.

While South Korea is moving to prevent its nationals from attending the North Korean investment forum, North Korea is planning to send a high-powered mission to Japan, Taiwan and Hong Kong in September to promote investment in the Najin-Sonbong region.

The delegation will be headed by Kim Chong-u, vice chairman of the North Korean External Economy Commission and chairman of the North Korean External Economic Cooperation Promotion Committee.

Kim will reportedly seek investment in the free-trade zone's underdeveloped infrastructure in particular.

ROK: DPRK Earns $236 Million From 'Indirect' Trade With ROK

SK0807062496 Seoul THE KOREA TIMES in English 8 Jul 96 p 8

[FBIS Transcribed Text] North Korea's exports to the South, valued at 236 million dollars last year, would have allowed the country to provide for 17-25 percent of its unsatisfied food and energy needs, a research report indicates.

The Samsung Economic Research Institute said yesterday that Pyongyang probably earned 236 million dollars from its indirect trade with Seoul last year, an amount which could have been used to buy 19-28 percent of the approximately 2 million tons of rice which it needed but was not able to grow or buy.

In energy terms, the foreign currency acquired indirectly from the South would have been enough to buy twice the 1 million to 1.5 million tons of fuel it needed but could not afford, Samsung researchers said in their report.

Consequently, should all the foreign currency earnings from its trade with the South have been used on food and energy, it would have been sufficient to meet 17-25 percent of its unsatisfied needs.

"While the trade was not sufficient to completely pay for all the food and energy it went without, it still also went a long way in providing jobs for workers," one researcher noted.

Owing to the fact that North Korea's exports are mostly primary products, the country does not require much in the way of manufacturing facilities and so it would have been able to give a lot of work to unskilled workers.

The researcher went on to say that one of the other most important aspects of the trade with South Korea is the chance it provides North Korea to increase its use of its production facilities since the products being produced are not otherwise much in demand in the international market.

ROK: Ruling NKP Moving To Improve Nation's Ties With Taiwan

SK0807070896 Seoul THE KOREA TIMES in English 8 Jul 96 p 2

[FBIS Transcribed Text] The ruling New Korea Party [NKP] is moving to improve the nation's relationship with Taiwan, which has been strained since the establishment of Korea-China ties in 1992, the sources at the NKP said.

The move reportedly came after NKP lawmakers Chong Che-mun and Yu Hung-su exchanged their views with Taiwan President Li Teng-hui on the need to restore the Seoul-Taipei air accord in their meeting at the latter's inauguration ceremony in May.

In an exclusive meeting with Rep. Chong at that time, the Taiwanese president reportedly gave a positive response to reopening the Seoul-Taipei direct air route, which remains out of service after the establishment of Korea-China ties, according to the source at the NKP.

With the Taiwanese response, the ruling party is reportedly planning to "informally" invite a Taiwanese Foreign Ministry official, apart from the government's official diplomatic policy, for talks over the air route issue, the NKP sources said.

A source at the Foreign Ministry also disclosed Saturday that the ruling NKP has already sent an invitation in the name of No Sung-u, the NKP's chairman of the International Cooperation Bureau, to Taiwan's Foreign Ministry official.

Taiwan has yet to deliver its reply to the NKP's invitation, the source said.

So far, the government has taken very cautious steps in approaching Taiwan, paying too much heed to the possible effects such contact could have on Seoul's relationship with China. However, Chinese authorities are not known to oppose the reopening of the direct Seoul-Taipei flight route, as it is also recognizing the difficulties some 200,000 Chinese people have visiting Taiwan with no Seoul-Taipei direct air route, the source said.

ROK: Finance Official Notes Progress in OECD Candidacy

SK0607021396 Seoul YONHAP in English 0131 GMT 6 Jul 96

[FBIS Transcribed Text] Paris, July 6 (YONHAP) — South Korea is one step closer becoming a member of the Organization for Economic Cooperation and Development (OECD) now that the Committee on International Investment and Multilateral Enterprises (CIME) and the Committee on Capital Movement and Invisible Transactions (CMIT) have completed two days of joint deliberation.

The two committees are the last of all 11 committees to have examined Korea's eligibility for membership.

The committees will submit the results of their examinations to the executive committee by coming September so that it can make a final decision on Korea's membership by the end of the year at the latest. A South Korean official said the decision might be made as early as October.

Om Nak-yong, the second deputy finance-economy minister who has headed the South Korean delegation, hinted at his country's smooth passage through the critical CIME-CMIT deliberation, saying, "Barring unexpected twists and turns, Korea's entry will be made without hitting any snags even before the end of this year."

South Korea, since it filed its application for membership in the organization in may last year, has gone through committee reviews in the trade, financial, public financing, environmental, labor and other sectors. Korea has worried about the possibility that the CIME and CMIT might decide to extend their joint review to a third session causing a delay in the decision on its membership.

In the second session Friday, Korean officials and the committee members focused their discussions on the speed of Korea's opening of its capital markets. Korean officials explained the inevitability of Korea opening its markets on a gradual basis on account of Korea's specific economic situation, sources close to the conference said.

Korean officials promised to lower interest rates to a level suitable for the domestic economic situation and ease restrictions on the inducement of foreign capital in case the gap between domestic and foreign interest rates narrows, the sources said.

Om, however, said, "We have not offered any additional concessions which go against our basic policies."

ROK: Business Executives Comment on Potential OECD Membership

SK0607065896 Seoul YONHAP in English 0510 GMT 6 Jul 96

[FBIS Transcribed Text] Seoul, July 6 (YONHAP) — The nation's business conglomerates accepted the completion on Friday of the OECD's sectoral committee examination of Korea's eligibility for membership in the organization as a "virtual okay" to Korea's entry and expressed guarded optimism about the future of the national economy as an OECD member.

A business executive said, "Though I cannot resist feeling that we have been in a bit of a hurry, I still find the opening of our capital market will bring us an opportunity to try a new economic leap, as well as a crisis." [sentence as received]

A Samsung Group executive stressed the need to start a drastic constitutional improvement and a bold deregulation of the capital market in an effort to make a maximum gain from the market opening.

"In the face of massive inroads of foreign big enterprises into the country, it is desperately needed to free the domestic businesses from the yoke of restrictions which have been detrimental to free competition," the executive said.

A spokesman for the Hyundai Group extended a similar view, adding that the usefulness of the country's possible membership in the organization will hinge largely on whether domestic merchandise will have solid competitive edge in quality, prices, and technology.

A Daewoo executive called for efforts to restore health to the nation's economy, like rectification of business environment, to be made in tandem with institutional reform of the economy.

He opined that the country, under an open-door economic system, should tackle macroeconomic goals of growth, price stability and balanced international payments according to a pre-set priority order, achieving them one after another rather than trying to achieving them simultaneously.

An LG Group spokesman feared that consumers might be misled by an illusion of being on the same tier as people of advanced economies despite that Korea's membership in the OECD does not mean its becoming an advanced country right away. He called on the need to work out measures to minimize the adverse effects of hot money flowing in and out of the country.

ROK Daily Views Benefits, Costs of Entry Into OECD

SK0807073496 Seoul THE KOREA TIMES in English 8 Jul 96 p 9

[FBIS Transcribed Text] Benefits, privileges and costs coexist for members of the Paris-based club. Unlike the World Bank and International Monetary Fund, it does not provide loans to members.

The membership itself does not mean endorsing Korea as an advanced country. In the past, it was regarded as a "well-to-do countries"' club, but due to its outreaching policy, such countries as Hungary, Poland and the Czech Republic became members.

Korea will be able to be actively involved in the formation of international economic orders and get up-to-date inside information for policy-making.

The nation's credit standing and international appreciation of Korean products will be upgraded worldwide following the nation's entry into the club.

Due to enhanced foreign confidence, international investors will increase investment in Korean stocks, bonds and industries.

Seoul will be able to diffuse foreign market-opening pressure. The United States has traditionally cornered Korea into opening this or that sector. But such unilateral approach may be toned down as other OECD members, including European countries, may check sometimes undue one-sided pressure from a particular country.

An OECD membership is an occasion for Westernizing the domestic system and practices, igniting competition and galvanizing the people's way of thinking, according to Kang Sok-in, director general in charge of the OECD membership preparation. He said Korea will be more oriented toward protecting consumers.

For the time being following its admission to the OECD, Korea will be able to retain a developing country status. However, it will be under increasing peer pressure to expand aid to poor countries, the Ministry of Finance and Economy said.

From an OECD perspective, the invitation of such dynamic countries as Korea will be a great boom. Statistically speaking, Korea as an OECD member will increase OECD average growth rates and lower the unemployment rate.

It was a great burden for the OECD to reject Korea as a member while easily accepting such eastern European countries as Poland, Hungary and Czech Republic, to which Korea extended loans.

ROK: Paraguayan President Views Friendship, Signs Accords

PY1107131896 Asuncion ABC COLOR in Spanish 10 Jul 96 p A5

[FBIS Translated Text] President Wasmosy expressed gratitude over the welcome extended to him in Korea. He said Paraguay and Korea have always maintained fruitful relations in trade, rural activities, science, technology, and arts. He praised the harmony and understanding in bilateral relations and voiced his wish to continue working together in the search for new opportunities leading to even closer ties. He made this remarks during a meeting with his Korean counterpart at the Blue House, the seat of the Korean Government.

Wasmosy recalled the signing and ratification of several agreements promoting the rapprochement between Paraguay and the ROK. He stressed the friendship policy that is reflected in the reciprocal support expressed in international forums. He noted that Paraguay supported the entry of Korea in the UN Security Council. Wasmosy thanked the Korean Government for its decision to install the regional offices of the Korea International Cooperation Agency in Asuncion. He mentioned the thousands of Koreans who are living in Paraguay "with their Paraguayan-born children. They represent the noblest and most sublime link in our cultures. Their experiences, values, and efforts toward progress have become melted in the Korean-Paraguayan community. Our efforts to promote rapprochement today are made in their name."

Later, Wasmosy and Kim Yong-sam signed an agreement on cooperation for economic development. They also signed an extradition treaty to hand over people wanted by the courts in either country. An agreement to facilitate the sending of young Korean volunteers to Paraguay was also signed. A pilot project to assist peasant communities was officially agreed upon.

Wasmosy was congratulated by University System Chancellor Kyung Hee. Dr. Choue called for "a recovery of the moral values of nations in order to build a more human society, seeking the wellbeing of the people." Choue is the founder of the international movement that seeks the materialization of the second renaissance.

On 10 July, Wasmosy will visit the Samsung Electronic Company, the Yongin Folk Villa, and the Daewoo manufacturing plant. On 11 July — the last day of his visit to Korea — he will tour Panmunjon, the military zone where the Armistice that ended the Korean war was signed. He finally will have lunch with the president of the Ssangyong Automobile company.

ROK: Foreigners Invited To Participate in New Airport Project

SK0607054696 Seoul THE KOREA HERALD in English 6 Jul 96 p 8

[FBIS Transcribed Text] Foreign contractors are invited to bid for numerous works for construction of an international airport being built on the Yongjong Island, an official of the Ministry of Construction and Transportation said yesterday.

After three and half years of reclamation work to create land of 1,094 ha off Inchon, some 50 km west of Seoul, the construction of the $5 billion airport project started full-scale just last month.

"Scores of designing work alone will be offered beginning this fall. There is an abundance of works for foreign companies to participate in," said the official.

"The airport construction involves a lot of new technology and high tech techniques," he said. "We have no choice but to rely on foreign advanced technology as Korean companies have no edge in it."

To promote foreign companies' participation in the project, the official said that the ministry is moving to make it a prerequisite only for international consortia including foreign contractors, to bid for the works requiring high technology.

The move came following U.S. Commerce Secretary Mickey Kantor's call for Korea to allow more U.S. contractors to participate in the airport project.

First of all, he said, the ministry will limit bidding for the 700 billion won contract to build a passenger terminal, to international consortia comprised of no less than 25 percent of foreign companies.

In the same vein, only international consortia comprised of at least 60 percent of foreign companies are allowed to bid for the supervisory work of the passenger terminal.

In a related move, the Korea Airport Construction Authority (KOACA) has recently shortlisted three international consortia out of 10-strong contenders for the baggage handling system project estimated at about 120 billion won. The ministry will announce the contractor from among the three bidders — POSCON-Mannesmann, Samsung Aerospace-Siemens and Hyundai Heavy Industries-GEC-Alsthom.

The KOACA is also weighing whether to allow international consortia to bid for the interior design work of the passenger terminal for which the deadline for prequalification ended May 30.

Among the 14 consortia, which presented its intentions to apply for the projects, the KOACA has recently picked three international consortia as the bidders for the project.

ROK: Ssangyong Plans To Invest 20 Billion Dollars in Asia

SK0507005496 Seoul THE KOREA TIMES in English 5 Jul 96 p 8

[Report by staff reporter Sa Tong-sok]

[FBIS Transcribed Text] The Ssangyong Group plans to invest a total of $20 billion in Asia through 2005 to raise its Asian sales to $60 billion.

The ambitious plan was revealed at the Ssangyoang Long-Term Strategic Meeting for Asia held at the Westin Stamford Hotel in Singapore yesterday.

In his presentation, group chairman Kim Sok-chun said Ssangyong will increase its proportion of overseas sales to total turnover to 30 percent in the 21st century, adding that 80 percent of overseas sales will come from Asia.

"We will continue to expand our overseas business aggressively to realize our vision for the 21st century," Kim said at the meeting which was attended by more than 150 top group executives from all over the world.

Ssangyong's investment plans envision dividing Asia into five areas—China, Indochina, Southwest Asia, Southeast Asia and Japan.

The number of Ssangyong business bases in Asia will also be increased from 57 to 160 in 2000 and 230 in 2005 and four regional headquarters will be established to function as control towers linking production, sales, distribution, funding and research and development.

Specifically, the Ssangyong Group will pour in $2 billion building cement plants capable of producing 8.4 million tons of cement a year in China and Vietnam. In the oil refining and petrochemical sector, the sixth largest Korean business group will invest $7 billion in the construction of plants and distribution centers.

It will also spend $6.7 billion by 2005 on 40 real estate projects while seeking to take part in infrastructure projects in the Mekong Delta region and South west Asia.

Ssangyong will construct eight automobile production plants in China and seven other Asian countries to produce 180,000 cars a year, one third of the group's total output.

The strategic meeting was designed in response to chairman Kim's call to have Ssangyong go global. The meeting focused on the mid- and long-term business strategies of Ssangyong for 2005, including its group vision, sales goals, sites for new production facilities, investment plans, personnel development program and marketing plans.

ROK: Kim Yong-sam Emphasizes Price Control, Safety

SK0607054896 Seoul YONHAP in English 0517 GMT 6 Jul 96

[FBIS Transcribed Text] Seoul, July 6 (YONHAP) — President Kim Yong-sam has cited price management, safety and environment as main state administration tasks that should be taken care of with "utmost" care.

Presiding over a senior secretaries meeting Saturday, the chief executive asked the government to do its best to stop inflation at the 4.5-percent target if circumstances allow and make sure that water-tight anti-disaster measures be secured to cope with heavy rainfall during the ongoing rainy season.

Touching on environmental issues, according to Presidential Spokesman Yun Yo-chun, the president urged the government to work out, and translate into action, short-term anti-pollution measures that can make people feel changes rather than immerse itself in long-term measures.

ROK: Conflict Between Democratic Party, NCNP Noted

SK0607071796 Seoul THE KOREA TIMES in English 6 Jul 96 p 2

["DP Launches All-Out Attack Against NCNP" — KOREA TIMES headline]

[FBIS Transcribed Text] The minor opposition Democratic Party started to launch all-out attacks against the main opposition National Congress for New Politics over the latter's alleged refusal to allow the DP to join the special Assembly committee, which is to deal with such crucial issues as election law revisions and political fund distribution.

DP spokesman Kim Hong-sin declared Wednesday, "From now on, the DP will issue anti-Kim Tae-chung statements all 365 days of the year."

However, the NCNP is blaming the DP for refusing to form a united opposition stance against the ruling New Korea Party, justifying its decision to exclude the DP from the special Assembly committee.

"It is preposterous for the DP to claim seats on the committee after refusing to cooperate with the NCNP," Chu Mi-ae, an NCNP lawmaker claimed.

DP leader Yi Ki-taek also threw in an anti-NCNP line by going on to put a curse upon the nascent panel, "(Without the DP's participation) the panel is doomed."

What decisively provoked the DP, which has been nursing grudges against the NCNP since their breakup last year, was the statement issued by NCNP spokesman Chong Tong-yong. "It was mainly due to the concern over the possibility that the DP might collaborate with the NKP in the committee that the NCNP decided to exclude the DP."

During every conflict, the NCNP used to accuse the minor opposition party of being an "ally" to the ruling NKP, but it was one of the few occasions that the NCNP outrightly charged the DP with "collaborating" with the NKP.

Irked by the remark, the DP responded with a statement likening NCNP leader Kim Tae-chung to a screwed figure in an ancient Korean tale.

Incensed by the scathing mockery of their leader, four NCNP lawmakers went on to make a protest visit to DP leader Yi Ki-taek, Wednesday. But Yi kept on pointing to Kim as the one pulling the string that excluded the DP from the special committee.

With the antagonistic atmosphere at the meeting, two lawmakers are reported to have nearly exchanged blows, with the meeting only succeeding in aggravating their grudges against each other.

The NKP earlier demanded that the panel be participated in by the minor DP and independents as well, but the NCNP has insisted on blocking the DP's entry to the panel.

The special committee will be composed of nine members from both the ruling NKP and the alliance formed by the NCNP and the United Liberal Democrats.

ROK: Article Views Prosecution-NCNP Conflict

SK0607072696 Seoul THE KOREA TIMES in English 6 Jul 96 p 2

[Report by staff reporter Kim Yong-pom]

[FBIS Transcribed Text] The state prosecution and the main opposition National Congress for New Politics (NCNP) are clashing over the prosecution's attempt to slap a defamation charge on NCNP lawmaker Chae Yong-sok, who described the prosecution as the "nation's ill."

Right after the prosecution embarked on the libel probe upon a citizen's complaint, the NCNP demanded the prosecution stop the legal action against Rep. Chae, terming it an "unreasonable vendetta."

In a statement issued yesterday, Sol Hun, vice-spokesman for the NCNP, said, "The prosecution's action against Chae's remarks at the National Assembly is an abuse of the power of law enforcement and another example of an unfair probe."

The prosecution, which used to serve the powers-that-be throughout past dictatorships, is reacting too sensitively to mere criticism against itself, the spokesman charged.

In an address to the Assembly June 24, Rep. Chae described the state prosecutors as a "blatantly shameless group," alleging that some prosecutors "enjoy gambling and refuse even to pay the shoe- shine men."

Chae's remark immediately upset the rank and file of the prosecution, with even the prosecutor-general expressing profound displeasure with the remarks.

As if to provide the angered prosecutors with an apt means to take action against the opposition lawmaker, Kim Kyu-pong, 43, a businessman, filed a complaint against the lawmaker recently, charging him with "defaming the state and law enforcement authorities."

Upon the complaint, the prosecution early this week decided to summon Rep. Chae after the Assembly session.

Prosecutor Chong Song-pok at the Seoul District Prosecutor's Office, who is in charge of the libel case, is reportedly in a position to question Rep. Chae if the lawmaker has actually seen prosecutors play the "go-stop" game, or if he gambled with any prosecutor.

The prosecutor is also expected to demand the name of the "young" prosecutor in his thirties that refused to pay shoe-shine men.

The prosecutors are reportedly confident about indicting him for defamation as the remarks, regardless of their being true or not, have painted the entire prosecution as a "shameless group gambling and free-riding."

In the counter-offensive against the prosecution, the NCNP is also accusing the prosecution of being reluctant to investigate the allegedly illegal electioneering by Rep. Hong Chun-pyo of the ruling New Korea Party during the April general election campaign period.

In another statement issued yesterday, the NCNP criticized the prosecution for its decision to turn a deaf ear to the complaint by a civic group against Pak's illegal campaigning.

Meanwhile, the businessman who filed a complaint against the opposition lawmaker was reported to be the very person who filed a suit against the Wall Street Journal for defaming the nation's officialdom by describing it as a "corrupt group."

ROK: Opposition Parties Urge Government To 'Sack' NPA Chief

SK0807073296 Seoul THE KOREA TIMES in English 8 July 96 p 2

[By staff reporter Kim Yong-bom]

[FBIS Transcribed Text] The nation's opposition parties, now seeking in unison to introduce a measure to guarantee political neutrality of the police and prosecution, lashed out at National Police Agency [NPA] chief Pak Il-yong, incensed over his direct balking at their determined move to keep the police out of the ruling party's control.

The parties also called on the government to immediately sack the NPA chief, who flatly brushed aside any need for a new measure to keep the police free of any political influence in his letter sent to police stations across the nation.

"Existing laws fully guarantee the independence of the police, thus requiring no additional measures. Besides, the checks on police were strengthened more than enough in this democratic social atmosphere," he claimed in the letter.

In the 11-page letter, the head of the national police went on to criticize the opposition parties, "The recent motion by the parties, which is politically motivated, would only result in weakening police authority.

Pak also advised police officers not to be swayed by the atmosphere in the political circle in the letter.

Against the NPA chiefs challenge, the main opposition National Congress for New Politics [NCNP] issued Saturday a strong-worded statement saying, "The government should immediately sack NPA chief. Pak, as a mere police chief, has offered a serious affront to the National Assembly by challenging the agreement made by the parties."

The opposition United Liberal Democrats (ULD) also reacted furiously saying, "It is shocking that the nation's head of police unveiled his ignorance of the people's wishes for a politically neutral police. Pak's frivolous action is a sheer anachronism."

Both the NCNP and ULD are now vowing further offensives, including a protest visit to Prime Minister Yi Su-song.

The opposition parties insisted on the introduction of special measures for the neutrality of the police and prosecution upon their own judgment that the "opposition candidates cannot help being subject to disadvantages in the upcoming elections without police neutrality."

After the April general elections, many of the Assemblymen-elect of the opposition parties have been subject to probes or legal actions regarding illegal campaigning.

Faced with the legal action by law enforcement authorities, allegedly targeted only at oppositionists, but colluding with the ruling party's, some of the lawmakers-elect deserted opposition parties to join the ruling New Korea Party.

Harshly criticizing such alleged abuse of the police by the ruling camp, the opposition staged an all out struggle to institutionalize the neutrality of law enforcement authorities, succeeding in forcing the ruling NKP last week to accept a special Assembly committee, which is to chart special measures to keep the police away from political influence.

The main points demanded by the opposition parties are that the appointment of the NPA chief be subject to confirmation by the National Assembly, that part of police authority be delegated to local governments, and that chiefs of police and prosecution be banned from holding public posts after the end of their terms.

Meanwhile, the ruling NKP backed NPA chief Pak in the stormy controversy, claiming that the letter be viewed as a personal opinion, not as a political action.

ROK: Court Begins Procedures To Seize Chon's Assets

SK0507065296 Seoul YONHAP in English 0641 GMT 5 Jul 96

[FBIS Transcribed Text] Seoul, July 5 (YONHAP) — Procedures for seizing assets owned by former President Chon Tu-hwan worth more than 39.1 billion won (48.2 million U.S. dollars) were initiated Friday by the prosecution.

The Seoul District Prosecutor's Office, investigating Chon's slush fund case, applied to the Seoul District Court Friday for a permit to seize Chon's property.

The move follows the court's approval on May 29 of an order to freeze the property.

If the seizure application is approved, the prosecution will have immovables from among Chon's property registered in the name of the court and provisionally seize movables.

Once Chon is found guilty of bribery charges by the court, the prosecution let the seized property revert to the national treasury.

The property to be seized includes Chon's house in Yonhui-tong, a two-story annex and plot at the residence

(200 million won), Korea Development Bank debentures (12.4 billion won), Korea Long-Term Credit Bank debentures (1.2 billion won), four bank accounts in the name of Chon and his secretaries amounting to 9.2 billion won, and a Benz.

Chon has been indicted on charges of accepting about 225.9 billion won in bribes from 44 businesses while in office from 1980- 88.

Whenever additional property belonging to Chon is uncovered, the prosecution plans to have it forfeited and seized as well.

ROK: Defense Lawyers of Chon, No Withdraw From Oral Proceedings

SK0807063196 Seoul YONHAP in English 0544 GMT 8 Jul 96

[FBIS Transcribed Text] Seoul, July 8 (YONHAP) — Defense lawyers for former Presidents Chon Tu-hwan and No Tae-u withdrew from oral proceedings in the first trial of their clients on mutiny and treason charges Monday by submitting letters of resignation to a panel of judges.

The move came in the 20th session of the public trial of the 1979 mutiny and 1980 massacre cases involving the two former presidents and their aides that opened in Seoul District Court Monday morning.

As soon as the trial session opened, defense lawyers for Chon — Yi Yang-u, Chon Sang-sok and Sok Chin-kang — and for No — Kang Yong-sok and others — asserted, "despite the uppermost value of the cases is lying in probing the solid truth, the judges panel, having virtually decided that the defendants are guilty, is allowing the trial to proceed just for the sake of formality. A full right to debate is accordingly not guaranteed and we can no longer proceed orally in a manner following the panel's scenario."

The panel of judges, accepting the resignations of six lawyers for Chon and two lawyers for No, adjourned the session at around 10:50 AM and resumed it about 40 minutes later.

The defense lawyers said they will initiate preparations for the forthcoming appellate trial for the mutiny and treason cases.

Defense attorneys for defendants Chang Se-tong, Cha Kyu-hyon, Pak Chong-kyu and Sin Yun-hui resigned earlier in protest of the panel's "speedy proceedings." The four defendants are now defended by two state-appointed lawyers — Kim Su-yun and Min In-sik.

Defense lawyers for the remaining 10 defendants including Yu Hak- song remain unaffected.

The panel of judges plans to appoint lawyers Kim and Min as state attorneys for Chon and No as well.

ROK: Increasing Economic Polarization by Region Noted

SK0607063196 Seoul THE KOREA TIMES in English 6 Jul 96 p 9

[Report by staff reporter Sa Tong-sok]

[FBIS Transcribed Text] Economic polarization between the heavy and light industrial sectors is creating disparities in industrial output from region to region.

According to the Bank of Korea [central bank] yesterday, manufacturing output in Kyonggi-to, Chungchongnam-to, Chungchongpuk- to and Kyongsangpuk-to recorded sharp gains of 12.8 percent, 17.2 percent, 18.1 percent and 12.4 percent in the first quarter of the year, boosted by brisk production of heavy industrial goods.

On the other hand, such regions as Taegu, Pusan and Chollapuk-to where light industry dominates economic activity reported a continuing slowdown in manufacturing output with increases of minus 7.3 percent, minus 3.1 percent and 1.5 percent.

The regional jobless rates in the January-March period remained flat or decreased, except in Inchon and Taegu. The unemployment rates were high in Pusan, Taegu and Taejon at 3.6 percent while the rate in Cheju-to was 0.8 percent.

Industrial activity in the area around Seoul was mixed. While output in Inchon reported only a mild 4.4 percent rise in the first four months of the year owing to sluggish production of steel and machinery, that in Kyonggi-to reached as high as 12.8 percent.

The unemployment rate in Inchon in the first quarter was 3.20percent, up from the 2.7 percent In the same period of 1.995, but unemployment in Kyonggi-to dropped to 0.6 percent.

The Chungchong region enjoyed robust industrial activity as a whole. Growth of manufacturing output in Chungchongnam-to and Chungchongpuk-to registered 17.2 and 18.1 percent, respectively, buoyed by active production of chemicals, petrochemicals and semiconductors.

The jobless rate in Chunchongpuk-to fell from 2.1 percent to 1.6 percent and that in Chungchongnam-to remained flat at 1.5 percent. But Taejon's jobless rate was 3.6 percent, the same high level as in Pusan and Taegu.

Industrial production in the Cholla region remained in the doldrums in general. Manufacturing output in Kwangju grew a modest 7.5 percent due to a production slowdown in machinery and rubber and plastics.

Chollanam-to and Chollapuk-to reported output growth of 5.3 and 1.5 percent, respectively, with stagnancy in chemicals and textiles. The jobless rates were 3.0 percent in Kwangju, 0.9 percent in Chollanam-to and 2.6 percent in Chollapuk-to.

Most parts of the Kyongsang region have been hit hard by the latest economic downturn. Manufacturing ouput in Pusan and Taegu fell 3.1 and 7.3 percents respectively, as the footwear and textile industries, the region's core businesses, continued their protracted downturn.

Burma

Burma: Suu Kyi Opposes Inclusion of Burma in ASEAN

BK1107032696 Bangkok BANGKOK POST in English 11 Jul 96 p 1

[Report by Nutsara Sawatsawang and Saritdet Marukhathat]

[FBIS Transcribed Text] Rangoon — Burma's pro-democracy leader Aung San Suu Kyi yesterday voiced strong opposition to ASEAN's decision to integrate Burma, saying the country's unresolved internal problems would not advance regional stability

"This is a country where there is no rule of law, there's no justice, there's no stability. How can such a country be a credit to the region?" she said.

"I think they [ASEAN states] should care about how far the government is capable of achieving peace and stability because unless the government is capable of achieving peace and stability, it cannot do the region any good at all," she added.

The Association of Southeast Asian Nations has argued that the integration of Burma would bring stability to the region.

Foreign ministers of the seven ASEAN states are preparing to receive Burma as an "observer" to their 29th annual meeting in Jakarta on July 20. Three days later, Burma will for the first time join the ASEAN states and 13 other countries in regional security discussions under the three year-old ASEAN Regional Forum (ARF).

Burma has made clear its wish to become a full-fledged member of ASEAN by 1998, which is in line with the grouping's aim to have all 10 Southeast Asian countries under its umbrella by the turn of the century.

Cambodia and Laos have said they planned to become full members of ASEAN by the end of 1997.

Mrs Suu Kyi said Burma under present circumstances was in no position to contribute to peace or prosperity within thee ASEAN region.

Burma's membership of ASEAN would bring no benefits to the Burmese people who are struggling for democracy in their country, she added.

"Internal problems of Burma should be settled first and I do not think this can be done through suppression," she said.

"Suppression is not the way to resolve the problems," she stressed.

But the pro-democracy leader made clear she would not ask ASEAN to set preconditions for Burma's admission into the grouping.

"That is, of course, for ASEAN to decide. It is for them to study the situation and decide whether or not Burma is fit to be a member of ASEAN under these circumstances."

ASEAN insists Burma's problems are its own affairs and maintains "constructive engagement" with the ruling military junta is a way of improving the situation for the people of that country.

But Mrs Suu Kyi countered that the internal affairs of a country included politics as well as business and that ASEAN countries were building business links with SLORC.

"If they say that it's only an internal affair of Burma, how about the economy?" she said.

"As long as ASEAN is involved in economy, then they are involved in the internal affairs of the country," she said.

Analysts have said the integration of Burma into ASEAN, including Burma's participation in the ARF, would bring legitimacy to the ruling military junta.

But Mrs Suu Kyi maintained the military leadership did not enjoy legitimacy.

"Ultimately, the legitimacy of the government will be decided by its people," she said.

"As long as the government is not acceptable to its people in a country, it can never be legitimised. "

Burma: Suu Kyi Asks ASEAN To Help in Dialogue With Rangoon

BK1007030296 Bangkok THE NATION in English 10 Jul 96 p A1

[Unattributed report]

[FBIS Transcribed Text] Burmese pro-democracy leader Aung San Suu Kyi has sent a letter to all countries in the Association of Southeast Asian Nations (ASEAN) outlining the developing political situation in Burma and her party's long-standing policy to seek a peaceful dialogue with the country's ruling junta.

The letter is the first official contact or communication by Suu Kyi and her National League for Democracy (NLD) with the regional grouping, which has recognised the ruling State Law and Order Restoration Council (SLORC) since it rose to power in a bloody coup in September 1988.

Informed sources said Suu Kyi gave her account of the recent massive SLORC crackdown on the NLD in which over 260 of its supporters and elected MPs were arrested and detained ahead of a scheduled party congress on May 26.

The 1991 Nobel Peace Prize winner also said that she does not believe in a confrontational approach and prefers a dialogue with SLORC to resolve the country's political turmoil. The military regime has rejected her initiatives all along, she was quoted as saying in the letter.

Suu Kyi also expressed her desire to see ASEAN play a role in encouraging the dialogue process.

The sources said it was not certain whether ASEAN foreign ministers would reply to Suu Kyi's letter or acknowledge its receipt.

Suu Kyi's message is seen as a response to the account given by Burmese Foreign Minister U Ohn Gyaw in his letter to his ASEAN counterparts last month.

In his letter, U Ohn Gyaw said the NLD members were not arrested, but only temporarily detained for "questioning" as a pre-emptive measure to prevent the political situation from deteriorating.

He said those detained were not jailed and were well treated in state guest houses. Sources quoted U Ohn Gyaw as describing the overall situation as under control and telling ASEAN members not to worry about it.

Burma: Suu Kyi Denies Sending Letter to ASEAN

BK1107035196 Bangkok BANGKOK POST in English 11 Jul 96 p 1

[Unattributed report]

[FBIS Transcribed Text] Pro-democracy leader Aung San Suu Kyi denied yesterday that she had written to the Association of Southeast Asian Nations.

She told the BANGKOK POST she would not write letters to ASEAN or other international organisations.

"I do not want to make suggestions to people or organisations because I do not think it's the right way," she said when asked about a report that she had written to ASEAN outlining the political situation in Burma and expressing a wish to see ASEAN play a role in encouraging dialogue.

She said she was unaware of the report. But she added that winning the support of the people was most important to her goal of bringing democracy to Burma.

She noted that about six elected members of her National League for Democracy remained in prison. They were among the estimated 262 arrested in May in the run-up to the congress.

If the elected NLD members were being held merely for questioning, as Foreign Minister Ohn Gyaw has told ASEAN countries, the process was taking "quite a long time," Mrs Suu Kyi said.

An NLD source said a total of 33 NLD supporters, including non-elected members of the opposition party, remained in detention as of yesterday.

Burma: SLORC Chairman Tan Shwe Reportedly Confined in Hospital

OW1107035996 Tokyo ASAHI SHIMBUN in Japanese 11 Jul 96 Morning Edition

[By Atsuo Hirata; received via Internet]

[FBIS Translated Text] Bangkok, 10 Jul — It was learned on 10 July that Than Shwe, 63, chairman of the Burmese military junta, the State Law and Order Restoration Council (SLORC), concurrently premier and minister of defense, was admitted to the military hospital in Rangoon on 6 July. This was revealed by a number of diplomatic sources in Rangoon and Bangkok. Some reports say that he complained of a stomach illness, while others allege that he is in a critical condition due to cerebral hemorrhage.

According to information from Rangoon, there has been no indication that Than Shwe's scheduled activities are being changed; nor is there any sign of an emergency meeting being held.

A convoy of black limousines and an apparent strengthening of security, including the fielding of many soldiers, were observed at the military hospital on 6 July. Since then, state television and newspapers have not been observed to report on the chairman's performance of official duties.

Than Shwe was promoted to the position of SLORC chairman after Saw Maung resigned in April 1992. It is said that the SLORC operates under a collective decisionmaking process consisting of the chairman, Vice Chairman Maung Aye, First Secretary Khin Nyunt and Second Secretary Tin Oo. Therefore, even if the chairman is ill and incapacitated, no immediate difficulties are foreseen.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Police Detain Three Liberians Over Fake U.S. Currency

BK0907082996 Kuala Lumpur THE STAR in English 9 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Three Liberians, including a woman, who claimed they can make U.S. currency notes by using a special chemical have detained by police.

The three, in their 20s, were detained by the police commercial crimes division during a raid at a hotel here last Friday.

About U.S.$4,000 (RM [Malaysian ringgit] 9,900) were also seized from the three.

It is learnt the U.S. Embassy tipped off the police here after learning of their scam.

City commercial crimes division chief Superintendent Adnan Shahbuddin said investigations revealed that the money belonged to a Singaporean businessman who paid the three U.S.$5,000 (RM12,300) to produce the money for him.

He said the suspects would show their victims a box containing papers cut in the size of U.S. currency notes.

"They would ask interested victims for U.S.$5,000 (RM12,300) to buy a certain chemical that could instantly turn the plain paper to money when soaked in it.

"So far we know of only one victim who had reported to us and are investigating if they had tricked anyone else," he said.

Superintendent Adnan believes the box containing the papers was obtained locally.

Malaysia: Deputy Premier Says No Extra Trade Conditions From UK

BK0807123896 Kuala Lumpur NEW SUNDAY TIMES in English 7 Jul 96 p 9

[Unattributed Report]

[FBIS Transcribed Text] London — Britain does not subscribe to imposing additional conditions in matters of trade and commerce with Malaysia, Deputy Prime Minister Datuk Sri Anwar Ibrahim said.

The matter was raised when Anwar met British Prime Minister John Major on Thursday, the day he arrived for his five-day official visit to the United Kingdom and Ireland.

"On the tendency of industrialised nations to impose additional conditions during commercial negotiations, I am satisfied with the positive attitude of the British," he said.

"Their focus is more on trade and not attaching additional conditions which make it difficult for trade relationships."

Anwar said he also had discussions with British Deputy Prime Minister Michael Heseltine, Secretary of State for Trade and Industry Ian Lang and Secretary of State for Defence Micheal Portillo.

Portillo expressed keen interest in continuing co-operation in matters of defence with Malaysia.

"We will be reviewing further the old Five Power Defence Arrangement [FPDA]. Discussions on the FPDA was done by Defence Minister Datuk Syed Hamid Albar on his recent visit here," said Anwar at a Press conference for Malaysian journalists on Friday.

"The pact is an opportunity to obtain training for our armed forces and to raise our defense capability."

"I don't think there should be cause for anxiety that Malaysia will be used as a centre for defence against foreign nations.

FPDA came about after the British pulled out their troops following the Suez Canal crisis in the 1950's. The pact assures Malaysia and Singapore of defence assistance from Britain, Australia and New Zealand.

Anwar also met British opposition leader Tony Blair who heads the Labour Party.

"I spoke at length with Blair on his views on Malaysia and the ASEAN region, the economic future of the Far-East and several other issues from which he thinks we can benefit."

"His views on placing importance on co-operation and friendship with Malaysia and ASEAN has not changed, and he will continue with the existing policy."

Malaysia's Abdullah, Britain's Henley Discuss PRC, ASEAN

BK0907071696 Kuala Lumpur RTM Television Network 3 in Malay 0530 GMT 9 Jul 96

[FBIS Transcribed Text] Relations between Malaysia and Britain have been further strengthened thanks to cooperation in various fields, particularly education and trade. This morning, Foreign Minister Datuk Abdullah Ahmad Badawi received Jeremy Henley, Minister of State, Foreign and Commonwealth Office [name and title as heard], at the Foreign Office.

During the meeting lasting over one hour, the two leaders discussed various issues related to regional security. Henley touched on Malaysia's stance on relations with China. Datuk Abdullah said Kuala Lumpur was friendly toward all countries in the region and resorted to negotiations to settle any problems.

Henley reaffirmed Britain's intention to join the ASEAN Regional Forum [ARF]. Datuk Abdullah said, however, that its membership was still contingent upon the chairmanship of the EU.

[Begin Abdullah recording] A country that chairs the EU is an ARF member. Of course, Britain will one day have its turn to chair the EU and, thus, take part in the ARF. [end recording]

Malaysia: Islamic Party Drops Ally From Unity Front, Ends Ties

BK0807122596 Kuala Lumpur NEW SUNDAY TIMES in English 7 Jul 96 p 1

[By Hamidah Atan]

[FBIS Transcribed Text] Bandar Jengka, Sat. — Parti Melayu Semangat 46 [Malay Party of the Spirit of 46 or S46] president Tengku Razaleigh Hamzah said today PAS [Pan Malaysian Islamic Party] had dropped his party from Angkatan Perpaduan Ummah [APU — Islamic Unity Front].

Razaleigh said PAS decided to end its ties with S46 during its annual general meeting held recently.

"There is nothing that we can do but to accept its decision," he said, adding that he was disappointed with the move.

"We have all along been trying to bring PAS into the mainstream of Malay politics and getting the party involved in the strengthening of the Malays. It is very sad that this has happened."

Razaleigh added that he learnt about the decision yesterday from APU leaders and that he did not understand PAS' motive.

"When I told PAS leaders that I would be meeting Prime Minister Datuk Sri Dr. Mahathir Mohamed, with regard to co-operation with UMNO [United Malays National Organization], they gave the go-ahead and out of the blue they said they wanted to break ties with us."

He said PAS leaders kept their decision a secret and this showed that PAS was against Malay unity.

He also said PAS should be held responsible for the split among the Malays in Kelantan and the country in general.

He added although he was willing to meet PAS leaders to discuss the matter, the latter did not show any interest, adding that he could not do anything if that what was PAS wanted.

Razaleigh was speaking after meeting State party leaders.

He said feedback from members indicated that they generally accepted the proposal to return to UMNO.

"Initially there were some who opposed the idea, but after they were briefed by party leaders they seemed to have a better understanding of the whole issue.

"They even made efforts to conduct talks to members at the grassroot level."

Razaleigh hoped all party members would rejoin UMNO en-bloc and that a special convention would be held to discuss the matter.

He said he hoped to get it done as soon as possible, adding he would be touring a few States before the convention.

Malaysia: Official Discloses Existence of Deviationist Groups

BK0807123996 Kuala Lumpur NEW SUNDAY TIMES in English 7 Jul 96 p 6

[Unattributed report]

[FBIS Transcribed Text] Kuala Lumpur, Sat. — The Government believes there are 54 deviationist groups in the country, director of the Islamic Research Centre at Pusat Islam, Abdullah Fahim Rahman, said today.

He said 16 of them had been identified. Twelve are Selangor-based.

Abdullah Fahim said the Government was investigating their activities and would act accordingly.

"We may provide counselling and hold dialogues for followers of these groups so that they return to the right path," he said.

He was speaking to reporters after attending a forum on the Practice of Tarikat [mystic path to the Real]: Problems and Objectives organised by the Institute of Islamic Understanding Malaysia (IKIM).

Abdullah Fahim said there were four main tarikat (path) groups in Malaysia, namely Ahmaddiyyah, Qadariyyah, Samaniyyah and Naqsabandiyyah.

Such groups, he said were supposed to help those who wanted to have a better understanding of Islam, but some of their leaders had "distorted the concepts" for their own interest.

Two other panelists at the forum were Negri Sembilan mufti Datuk Mohamed Murtadza Ahmad and IKIM's honorary fellow Uthman El Muhammady.

IKIM's director-general Datuk Dr. Ismail Ibrahim chaired the forum.

Malaysia: Anwar Says Mahathir To Decide on Post for Razaleigh

BK0907080396 Kuala Lumpur THE STAR in English 9 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Dublin — Deputy Prime Minister Datuk Sri Anwar Ibrahim said it is the prerogative of the Prime Minister whether to give Tengku Razaleigh Hamzah a Cabinet post when he rejoins UMNO [United Malays National Organization]. However, he said Razaleigh and Parti Melayu Semangat 46 [Malay Party of the Spirit of 46] should not set conditions to rejoin UMNO. On whether Tengku Razaleigh should be given any party post, he said it was up to party members. Anwar urged the people to stop making "all kinds of interpretations" regarding Tengku Razaleigh's rejoining UMNO. "People say Anwar is worried. I am not worried," he said when replying to questions raised during a meeting with Malaysian students here on Sunday night.

Malaysia: Television Station With Focus on Sabah, Sarawak Approved

BK0907094296 Kuala Lumpur THE STAR in English 9 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kota Kinabalu — Malaysia's latest private television station to be based in Kuching will provide nationwide coverage with focus on Sarawak and Sabah.

Information Minister Datuk Mohamed Rahmat said the government had approved the setting up of the station in the hope of promoting national integration.

"We hope the aspirations and cultures of the two states will be aired nationwide to speed up the pace of national integration," he told reporters after meeting Sabah UMNO [United Malays National Organization] secretaries yesterday.

Mohamed said parochialism was dying and the growing spirit of nationalism was among the reasons why there was a need for another television station.

Mohamed said he would announce the name of the company awarded the broadcast licence in Kuching today.

At present, the two private TV stations are Sistem Television (M) Bhd and Kuala Lumpur-based Metrovision. Malaysia East Asian Satellite (Measat) is expected to offer more than 20 channels and eight digital radio channels.

Singapore

Singapore: Two Military Officers Sent for UN Peacekeeping Duties

BK1107062296 Singapore THE STRAITS TIMES in English 11 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Singapore is sending a military officer to the United Nations in New York to support peacekeeping duties, at no cost to the world body.

He is Major (Dr.) Teo Kwang Joo. He will go to the UN Department of Peacekeeping Operations (UNDPKO) for a one-year stint next week. He will work in the Medical Support Unit and his duties will include ensuring the health of UN peacekeepers. Deputy Prime Minister and Defense Minister Tony Tan said that Singapore had taken the approach of seconding qualified people at no cost to the UN recently.

This, he said yesterday, was important at a time when the UN was under pressure to cut its budget and personnel strength.

He said: "At a time of UN downsizing and fiscal stringency, we have taken the approach of sending qualified personnel at no cost to the UNDPKO to ensure that the UN has the necessary personnel support for it to continue to fulfill its mandate in peacekeeping."

He said Singapore, as a responsible member of the UN, endeavored to contribute effectively to peacekeeping within its limited resources.

He was speaking at a send-off ceremony for another SAF [Singapore Air Force] officer, Lieutenant-Colonel Choy Kin Chong.

He will be leaving this month to take part in peacekeeping operations at the Kuwait-Iraqi border.

An artillery officer, he will be the deputy chief operations officer at the headquarters of the UN Iraq-Kuwait Observer Mission.

His duties during his one-year stint will include planning for peacekeeping teams at the Iraq-Kuwait border.

Since 1989, Singapore has contributed more than 400 personnel to serve in various UN peacekeeping operations around the world.

Dr. Tan said that the continued invitation by the UN for Singapore officers to hold high level appointments in peacekeeping was testimony of the confidence the UN had in Singapore and the SAF. [Singapore Armed Forces]

Last week, SAF officer Major Tan Boon Kim returned from a one-week mission as member of a UN inspection team to verify Iraq's compliance with UN Security Council resolutions.

This was the first time that an SAF officer has helped to conduct inspections under the mandate of the UN. His mission included the search of Iraqi facilities for biological and chemical weapons.

Indonesia

Indonesia: Suharto Meets With Japanese Parliamentary Delegation

BK0507150096 Jakarta SUARA PEMBARUAN in Indonesian 5 Jul 96

[Unattributed report — received via Internet]

[FBIS Translated Text] Jakarta, 5 Jul — The national car program will not undermine the time-tested ties between Japan and Indonesia. Talks about the car program will continue to be held and Japan has asked Indonesia to comply with international trade regulations.

Taku Yamasaki, chairman of the Japan-Indonesia Parliamentary Bilateral Cooperation Agency said this to reporters at Jakarta's Merdeka Palace on 4 July. Accompanied by Tsutomu Takebe, the agency's secretary general, five Japanese MP's, and Japanese Ambassador to Indonesia Taizo Watanabe, Yamasaki paid a courtesy call on President Suharto, who was accompanied by Minister-State Secretary Murdiono.

During the meeting, Yamasaki presented a letter from Japanese Prime Minister Ryutaro Hashimoto and a document on the outcome of the recent G-7 summit meeting in Paris.

Yamasaki also raised the national car program and Japan's objection to it. He said Japan has asked Indonesia to comply with international trade regulations. "President Suharto mentioned special requirements on the car's local content and hope that Japanese car manufacturers can meet the requirements. We also managed to voice our views on the presence of South Korea's Kia car producer in Indonesia," said Yamasaki.

The meeting discussed bilateral ties in the past, present, and future. The president praised the parliamentary agency's determination to strengthen ties between the two governments.

The meeting also discussed the Natuna project and Japan's desire to see Indonesia become the host of the ASEAN Regional Forum meeting. "We requested the president to chair other international meetings so as to solve any existing problem," said Yamasaki.

Indonesia: Warships Purchased From Germany Arrive 5 Jul

BK0807040396 Jakarta SUARA PEMBARUAN in Indonesian 7 Jul 96

[Unattributed report — received via Internet]

[FBIS Translated Text] Jakarta, 7 Jul — Two former [East] German warships arrived at Tanjungpriok Port, Jakarta on Friday (5 July) after a voyage from Neustadt, Germany since 17 May 1996. The ships were welcomed in a military ceremony led by Commodore Haryo Armanto, commandant of the Main Naval Base II [Roman two].

The KRI [Republic of Indonesia Ship] Ciptadi 38 was commanded by Navy Lieutenant Colonel Room Effendi, who is concurrently commandant of the Voyage Task Force XII, while the KRI Hasan Basri 382 was commanded by Navy Lieutenant Colonel Agus Suhartomo during the voyage.

The two ships covered a distance of 10,925 nautical miles during their 53-day voyage. Each ship is 75.05 meters long and 9.75 meters wide and has a speed of 12 knots. The Parchim-class corvettes with 60 crewmen serve primarily as anti-submarine vessels.

The two ships are part of the 39 ships that Indonesia has bought from Germany. The 39 ships consist of 16 Parchim-class corvettes, 14 Frosch-class landing ship tanks, and nine Condor-class mine sweepers.

Thirty-seven of the 39 ships are now in Indonesia, while the other two — the KRI Teuku Umar and the KRI Silas Papare — will leave for Indonesia on 19 July. Navy Chief of Staff Vice Admiral Arief Kushariadi is scheduled to commission them on 12 July 1996.

Indonesia: Suharto 'in Very Good Health', Scheduled To Return 13 Jul

BK1107080096 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 11 Jul 96

[FBIS Translated Text] The latest reports on President Suharto, who is now undergoing medical checkup in Germany, say he is in very good health. We can hear about the president's health from Probosutejo, one of the president's relatives. Our correspondent Joko Saksono reports:

[Begin recording] (Saksono] Listeners! One of the president's relatives, Mr. Probosutejo, who has just arrived from Germany, held a press conference about 15 minutes ago. About 50 reporters, particularly from the State Secretariat and Home Affairs Department attended the press conference. Probosutejo, who accompanied the president for the medical checkup at a hospital north of Hanover, said the president is in very good health. Probosutejo, who got the president's permission to give the press conference, said Suharto is scheduled to leave Germany on Friday afternoon and will arrive in Jakarta on Saturday morning.

[Probosutejo] All the doctors said that the president is in very good health.

[Unidentified correspondent] What was the president's reaction when he learned [words indistinct].

[Probosutejo] I also received a report from Jakarta about the depreciation of rupiah and the stock market's performance. The president expressed concern over the trend and decided to return home immediately.

[Saksono] Listeners! It was Probosutejo speaking to about 50 reporters a few minutes ago. As I said earlier, the head of state will return home and arrive in Jakarta on Saturday morning. [end recording]

Indonesia: Suharto's Son Rejects Objections to Timor Car Privileges

BK0907040796 Jakarta KOMPAS in English 9 Jul 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Jakarta, KOMPAS — Despite objections raised by automobile industries in Japan, the United States and Europe, the plan for the Timor car has continued. At the opening of a Timor car exhibit on Monday (8 July) Hutomo "Tommy" Mandala Putra, President Director of PT [Company Limited] Timor Putra Nasional (TPN) told journalists that if more than one company gained national car status then the national automobile industry would become "wilted before it bloomed".

According to Tommy, the Timor car presently on exhibit in Jakarta had been fully imported from South Korea with the use of manpower from both Korea and Indonesia. The new car is due to hit the market in October 1996.

Because of a series of tax free privileges, the Timor car will be sold at a considerably cheaper price than other new cars on the market.

Although the automobile division of Bimantara, a company owned by Tommy's older brother Bambang Trihatmojo, has also requested the same tax free privileges, the government has yet to confirmed whether or not the same deal will be granted.

During the press conference Tommy was also questioned on the health of the President. The presence of television drama actress Nia Zulkarnaen also became a source of interest as she escorted Tommy around the showroom and later to the seventh floor of Sarinah to hold a press conference.

Indonesia: Observers View Effects of PDI Affair on 1997 Election

BK0807090196 Jakarta THE JAKARTA POST in English 8 Jul 96 p 2

[Unattributed report]

[FBIS Transcribed Text] Jakarta (JP) — Political scientists could not agree on whether the ruling Golkar [Functional Group] would gain in the general elections now that the minority Indonesian Democratic Palty (PDI) is swamped in a leadership crisis.

One observer said Golkar would draw the votes from PDI known as "the party of the youths." Another said there would not be any significant increase in Golkar's votes, while another said that the PDI conflict would only amount to a headache for the ruling group.

Arbi Sanit from the University of Indonesia's School of Social and Political Sciences predicted a large amount of extra votes for Golkar coming from dissilusioned PDI supporters.

He suspected, however, that the conversion may be rigged as part of a bargain between Suryadi, the PDI chairman recently elected at a government-backed rebel congress, and the government.

"(The government-backed) Golkar wants to get back the votes they lost to PDI in the 1992 election," he said. "Two-thirds of PDI voters are for Suryadi, while the rest are for ousted PDI chief Megawati Sukarnoputri. I predict that Suryadi will give away a number of his voters to Golkar."

"I think that Suryadi will surrender five seats in the House of Representatives to Golkar in the 1997 election," said Arbi, one of the founders of the Independent Election Monitoring Committee.

Arbi's colleague, Burhan Magenda, blasts Arbi for his speculation. "Golkar won't gain anything from the trouble in PDI," said Burhan, who is also a member of Golkar.

However, Burhan admitted that Golkar hoped to target young voters to add to its traditional voters.

"Golkar is ready to contend with either Megawati or Suryadi. Golkar will offer change in order to attract young voters, though not in a revolutionary style," he said.

Arbi, on the other hand, did not believe that young voters who reportedly make up a third of PDI devotees, would be attracted to Golkar. "They wouldn't. They would think that Golkar is not radical enough for them," he said.

In the 1992 election, Golkar's seats in the House decreased, while PDI's increased, although only by a slim margin. Analysts said that the additional seats for PDI came from the votes of the young and first-time voters.

Another observer, Ridwan Saidi, said that the crisis in PDI is causing difficulties for Golkar and will continue to do so whether it is settled soon or not.

"If PDI resolves its crisis, it'll then become a tough contender for Golkar in the 1997 election," he said. "If the rift is protracted, Golkar will have to go to a general election which does not give it a worthy sparring."

The general election will be joined by PDI, Golkar and the Moslem-oriented United Development Party (PPP).

Ridwan, who is also a member of the independent poll watchdog, said that the rift has earned PDI a worldwide reputation.

Despite the split among members caused by the rift, there is at least one group within the party — Megawati's supporters — which has become even more solid.

"The conflict has dramatically consolidated (Megawati's loyalists)," he said. "Look at the masses that gather at PDI's headquarters on Jl. [Avenue] Diponegoro. Notice the media coverage. This is more effective than any campaign."

Arbi and Ridwan agreed, however, on how PPP would fare in the poll.

Arbi said that young PDI voters were not interested in, and so would not convert to, PPP. "They see PPP as conservative as Golkar. They think it is not radical enough. This is because PPP does not pay enough attention to the aspirations of the grassroots as PDI does," he said.

"PPP is a lost child in the poll," Ridwan said. "Now people are only talking about the government (Golkar group) and PDI. PPP is not talked about anymore. I even think it will lose votes next year."

Indonesia: Megawati Says Government Trampled Over Democracy

BK0907043896 Jakarta THE JAKARTA POST in English 9 Jul 96 p 2

[Unattributed report]

[FBIS Transcribed Text] Jakarta (JP) — The embattled leader of the Indonesian Democratic Party (PDI), Megawati Sukarnoputri, said yesterday that the government had trampled over democracy when settling political disputes.

She said the government's support for her foes' maneuver to illegally unseat her reflected how moral standards and democratic principles had slipped.

The meddling could be seen from the congress' preparation until after it was over," she said in a statement presented to a seminar in Yogyakarta by Mokhtar Bukhori, the deputy chief of PDI's Research and Development Department.

The congress held in Medan, North Sumatera from June 20 through June 22 elected Suryadi as the new PDI chairman. But Megawati retains strong popular support as the party's leader.

Megawati, a daughter of late president Sukarno, also accused the government of intimidating PDI provincial leaders so that they attended the Medan congress.

The military and the government have repeatedly denied engineering the disputed congress, saying that they only "facilitated the wish of a majority of PDI members."

Megawati said it was time the government stopped abusing its power when dealing with political disputes. It was time things were resolved legally.

The seminar held by Gajah Mada University also featured the deputy governor of the National Resilience Institute (Lemhannas), Yuwono Sudarsono; a law professor from the Diponegoro University in Semarang, Sacipto Raharjo; and a lecturer from Gajah Mada University, Sanyoto.

In Jakarta, veteran PDI politician Marsusi criticized Minister of Home Affairs Muhammad Yogie S.M. for hastily recognizing Suryadi and for giving him the authority to propose PDI's candidates for the House of Representatives next year.

"The minister is confusing the public because even the President has not recognized Suryadi," he said.

He doubted Suryadi's ability to consolidate the PDI because the general election was only a year away and he had little support from PDI members.

Support for Megawati, from individuals and organizations, kept rising yesterday in different parts of Indonesia.

In Ujungpandang, South Sulawesi, about 1,000 activists from the Indonesian Front for Democracy took to the city's streets expressing their support for Megawati and rejecting the rebel congress.

The rally started at 9 a.m. in front of the PDI Ujungpandang chapter's office. Demonstrators took turns on a stage expressing their opinions about the PDI leadership crisis.

The "free forum" lasted two hours before the protesters took to the streets. They visited the homes of several PDI members who had attended the rebel congress, but none of them were in. Anti-riot police were on hand.

The protesters also staged a free forum in front of the South Sulawesi governor's office where they read a petition. They demanded that Minister of Home Affairs Muhammad Yogie S.M. resign for supporting the congress.

In Jakarta, about three hundred activists from the Indonesian Prosperous Labor Union marched to the PDI headquarters in Jl. [Avenue] Diponegoro. Several of them staged a play in support of Megawati.

The union's members marched from the office of the nearby Foundation of the Indonesian Legal Aid Institute.

In Cilacap, Central Java, soothsayer Permadi Satrio Wiwoho said yesterday that he was a Megawati loyalist, but denied that he had challenged the government.

"I support Megawati out of my sympathy to the eldest daughter of the late president Sukarno," he told THE JAKARTA POST after attending a meeting of PDI's Cilacap branch.

Laos

Laos: National Assembly Chief Meets With Thai Host in Bangkok

BK1007015796 Vientiane KPL in English 0936 GMT 9 Jul 96

[FBIS Transcribed Text] Vientiane, July 6 (KPL) — Mr. Saman Vi-gnaket, president of the Lao National Assembly, who is on an official friendly visit to Thailand, on July 4 had a meeting with his host, Mr. Bun-ua Prasoetsuwan, the speaker of the House of Representatives and president of the National Assembly.

The president of the Lao National Assembly thanked the Thai side for the warm hospitality and briefed the latter about the result of the implementation of the renovation policy during the past ten years in Laos and the activities of the National Assembly (third legislature).

On the Lao-Thai cooperation, Mr. Saman Vi-gnaket reaffirmed the long standing and traditional relations of friendship between the two people. In this respect, he echoed the words and sentiment expressed by the Lao President Nouhak Phoumsavan and His Majesty the King of Thailand Phumiphon Adunyadet as well as the statements made by Lao Prime Minister Khamtai Siphandon and Thai Prime Minister Banhan Sinlapa-acha.

Mr. Saman Vi-gnaket talked about the need to settle the pending issues relating to the common border, the negative elements which wanted to destroy the Lao-Thai friendship. He said that the settlement of these issues through mutual understanding would reinforce and expand even more the ties of friendship between the two nations. Mr. Saman Vi-gnaket also talked about Laos' aspiration to join ASEAN.

Mr. Bun-ua Prasoetsuwan was also of the opinion that these pending issues need to be solved and he would encourage the government to address the issues.

The discussion was carried out in an atmosphere of cordiality and mutual understanding.

Laos: Malaysian Airlines Inaugurates Flight to Vientiane

BK1107050796 Vientiane VIENTIANE TIMES in English 5-11 Jul 96 pp 1,12

[Report by Souryavong]

[FBIS Transcribed Text] A blue and red kite, the logo of Malaysian Airlines flew for the first time at Wattai Airport on July 1st as the company made its inaugural flight to Vientiane.

With two weekly flights — Mondays and Fridays — from Kuala Lumpur, Vientiane becomes the 114th destination of the Malaysian flag carrier airline.

"This is a historic occasion not only for Malaysian Airlines but also for the two countries," said the company's vice president of sales, Mr. Rashid Khan. He strongly believes Malaysian Airlines can tap the growing business traffic and the still untapped but potentially enormous tourist traffic between Vientiane and Kuala Lumpur and other connecting points on its international routes.

Mr. Khan said he based his conviction on the Lao average annual growth rate of 71.19 per cent over the past five years and the dramatic surge in international arrivals, jumping 10-fold in the last four years, from 37,600 visitors in 1991 to 343,460 in 1995.

A large proportion of the international visitors market to Laos originates from France, Thailand, America, Japan and Australia where Malaysia Airlines has extensive networks. The company has started a promotion programme in Malaysia advertising its route to Laos and will expand the campaign in selected overseas markets.

The introduction of Malaysian Airlines in Laos follows a gradual and sustained increase in economic co-operation between the two countries. Malaysian investment here has been mainly in the areas of tourism, banking, timber and education. Cooperation in the future could extend to agriculture, telecommunications, culture and art.

A foundation of close relations and co-operation was laid with an exchange of visits between the prime ministers of the two countries, Mr. Khamtai Siphandon and Dr. Mahathir Mohamed.

The Lao Premier is expected to pay another visit to Malaysia to boost economic and cultural ties between the two countries.

The deputy director of the National Tourism Authority, Mr. Phaithalong Douangsavan, said the opening of air links between Vientiane and Kuala Lumpur will contribute to the socio-economic development of Laos. He believes the benefits to tourism will increase with further international co-operation in the Greater Mekong Sub-region.

Mr. Phaithalong no longer sees Laos as a land-locked country but a land-linked one and a service centre for the sub-region.

"Laos is special in many ways," the tourism official said. He noted that this country had no population problem with a demographic density of only 19 people per square kilometre. It's a gigantic natural park offering a great diversify of fauna and flora.

"The culture of some 60 ethnic minorities, the customs and traditions, the Buddhist monasteries, the exotic character, all make a trip to Laos an exciting experience of a lifetime," Mr. Phaithalong said.

He added that the National Tourism Authority was ready to provide assistance and facilities to all tourists coming from Malaysia. The Malaysian Airlines flight operated on Boeing 737-400 leaves Kuala Lumpur at 9:20 a.m. and arrives in Vientiane at 12:30 p.m. local time, after a 50-minute technical stop-over in Phnom Penh.

Philippines

Philippines: Foreign Secretary Denies PRC Released Detailed Baseline

BK0907094796 Manila THE MANILA CHRONICLE in English 17 Jun 96 p 7

[Report by Bert Castro]

[FBIS Transcribed Text] Beijing has not yet fixed detailed coordinates showing China territorial baselines from which to base its expanded sea jurisdiction.

In an interview, Foreign Affairs Secretary Domingo L. Siazon, Jr. said he was told about this by the three top leaders of China —Premier Li Peng, President Jiang Zemin, Vice Premier and Foreign Minister Qian Qichen.

Contrary to reports, Siazon said, China has not released yet its detailed baseline. REUTERS had quoted XINHUA NEWS AGENCY reporting about China's detailed baselines.

The three Chinese leaders made their assurances to Siazon during the latter's official visit in Beijing together with some Filipino-Chinese taipans for possible joint commercial-industrial ventures two weeks ago.

REUTERS, quoting XINHUA, said China has expanded its maritime territory by more than 2.5 million sq. km. based on the United Nations Convention on the Law of the Sea (UNCLOS) which its National People's Congress, or parliament, has ratified three weeks ago.

Under that UN treaty, China and other signatories are obliged to respect a 370 km. exclusive economic zone off a nation's coast including the outlying islands.

XINHUA believed China could expand its sea or maritime territory to about 3.0 million sq. km. from 370,000 sq. km.

Neighboring countries were afraid China's expanded sea territory could affect conflicting claims in the South China Sea such as the Spratlys and the Paracels, including those islands being disputed by China and South Korea.

The statement of the three Chinese leaders to Siazon could defuse, even if temporarily, the rising tension in the South China Sea brought about by the XINHUA reports, which is the official organ of China.

Spratlys are being claimed in whole or in part by China, Philippines, Vietnam, Malaysia, Brunei, and Taiwan.

Philippines: Locally Assembled, Reconditioned Trainer Aircraft Unveiled

BK0907102096 Manila TODAY in English 22 Jun 96 p 12

[Report by Recto Mercene]

[FBIS Transcribed Text] The self-reliance program of the Air Force took off yesterday with the maiden flight of the Layang 1, the first locally assembled and reconditioned trainer aircraft which was converted into a bomber.

Layang I was developed by 70 pilots, engineers, and aviation experts of the Air Force research and development unit led by Lt. Col. Roberto Sylim.

Sylim said the turbo-propeller plane was assembled using spare parts from the American-made Nomad, a twin-engine light transport plane, and the Italian trainer SF-260 Marchetti.

The Layang (swallow) has a top speed of 350 nautical miles per hour and can be fitted with pylons on both wings to carry either the 500-pound bombs, the 7.62 mm guns, or the 2.75-inch rockets.

Sylim said that besides conducting bombing missions, the plane can be used as a trainer and a reconnaissance aircraft.

Lt. Gen. Arnulfo Acedera, Air Force chief, said that the Air Force will develop 12 Layangs.

A brand new turbo-propeller trainer costs P [pesos] 28 million each while the Layang is worth P18 million each. The local plane will help the Air Force save P120 million for the 12 reconditioned aircraft.

Defense Secretary Renato de Villa attended the maiden flight of Layang I and ordered Acedera to continue the research and development program to improve the Philippine aerospace industry.

De Villa said the development of locally assembled planes will help reduce expenses for the Air Force Modernization Program.

He said the Air Force should manufacture more safe and inexpensive aircraft.

Philippines: Abu Sayyaf Rejects Government-MNLF Peace Agreement

BK0907102496 Manila TODAY in English 26 Jun 96 p 1

[Report by Allan Nawal and Romy Elusfa]

[FBIS Transcribed Text] Cotabato City — Two Muslim rebel breakaway groups have expressed mixed reactions to the peace agreement forged by the government and the Moro National Liberation Front (MNLF).

The Moro Islamic Liberation Front (MILF) will first study the agreement while the extremist Abu Sayyaf rejected the plan to form the Southern Philippines Council for Peace and Development which MNLF Chairman Nur Misuari is expected to head.

The agreement that was reached last week in Davao City provides for the establishment of the council in 14 provinces and nine cities and for the signing of the accord during the final phase of the negotiations in Jakarta, Indonesia, next month.

Ghazali Jaafar, MILF vice chairman for political affairs, told TODAY that the MILF's central committee will evaluate the proposed agreement before announcing its official stand on the issue. Misuari earlier urged the MILF and other rebel groups in Mindanao to support the agreement to end the Moro secessionist war.

"We will evaluate the agreement first before committing ourselves and the Bangsa Moro people to rallying behind it," Jaafar said. He added that since the Tripoli Agreement, which has not been carried out by the government, the MILF has been cautious in dealing with Malacanang's [presidential palace] policy on Mindanao.

"Kahit mayroong kasunduan, kung hindi ito magbibigay ng sapat na lunas sa suliranin ng Mindanao, magkakagulo pa rin [Even if there is an agreement, if such an agreement cannot effectively solve the problem in Mindanao, there will still be chaos]," Jaafar added. Muslimen Sema, MNLF secretary-general, expressed optimism that the MILF will support the agreement.

"The MNLF respects the MILF decision to have the agreement scrutinized first. It's their right as a revolutionary organization but we are hopeful that they will eventually support it," Sema added.

The Abu Sayyaf denounced the agreement and accused Misuari of treason.

Yamsi Hameed, a self-styled spokesman for the Abu Sayyaf, based in Sarangani Province, told TODAY that Misuari has been blinded by government promises.

"Misuari's action has spoken. He is now with the same government which has betrayed the Bangsa Moro people. He surely made an enemy out of his ambition of power," Hameed added.

He said that the Abu Sayyaf will wage a full-scale war for the establishment of an Islamic government and topple Misuari.

The so-called Senate conscience bloc called on Malacanang to start an information campaign to explain the council and curb the growing unrest over the agreement.

Sen. Edgardo Angara also urged senators to study further the peace agreement and appease protesting Christian leaders in Mindanao.

Philippines: Mindanao Legislators Reveal Breakaway MNLF Group

BK0907100696 Manila PHILIPPINE DAILY INQUIRER in English 25 Jun 96 p 14

[Report by Armand Nocum]

[FBIS Transcribed Text] Several leaders of the Moro National Liberation Front [MNLF] have decided to bolt the group in protest of developments in its talks with the government, several congressmen claimed.

The congressmen, representing both Muslim and Christian areas in Mindanao, said MNLF generals and colonels have announced that they no longer want to be part of the peace initiative between the government and Nur Misuari, MNLF head.

"They have formed a separate force to continue the armed struggle because they do not trust the government," said Rep. Daisy Fuentes (NPC [Nationalist People's Coalition], South Cotabato).

She said the breakaway group has decided to call itself National Islamic Council or NIC, which she said was opposed to Misuari's acceptance of government terms for the rebels to lay down their arms and help in development in Mindanao.

Deputy Speaker Simeon Datumanong (Lakas [Power of the Nation], Maguindanao) said he also received the same information as Fuentes'.

"I have heard about this. These are ranking MNLF leaders who are dissatisfied with Misuari and have decided to form their own organization," Datumanong said.

Refusing to name his sources, Datumanong said he was told that the group of disgruntled MNLF officers are based in Sulu.

Fuentes said she first learned about this from Muslim local government officials from Sulu during a meeting in Malacanang [presidential palace] in May.

In another meeting with Mindanao congressmen, which was called by Speaker Jose de Venecia early this month, Fuentes said she asked Rep. Eduardo Ermita (Lakas, Batangas) about the report.

"Okay, maybe that is true, but we are now taking measures to negotiate with them (renegade MNLF officers)," she quoted Ermita as saying.

She said Ermita also claimed that those who broke off from Misuari's leadership are those holding the ranks of majors in the MNLF force.

Ermita was unavailable for comment on Fuentes' claims.

The renegade MNLF leaders are reported to be disgruntled over Misuari's acceptance of a government offer to head the Southern Philippines Council for Peace and Development (SPCPD), which would oversee peace and development efforts in Mindanao.

The council was drafted by Datumanong and Alexander Aguirre, head of the Presidential Management Staff and vice chair of the government panel in the peace talks.

Thailand

Thailand: NSC Official Comments on Vietnamese Refugee Deadline

BK0607110396 Bangkok BANGKOK POST in English 6 Jul 96 p 6

[Report by Phanrawi Tansuphaphon]

[FBIS Transcribed Text] An American refugee advocate has proposed that US authorities give Vietnamese refugees now at Sikhiu camp another month to apply for resettlement interviews, a senior Thai official said yesterday.

Shepard Lowman, a former deputy assistant secretary of state for Asian refugees, who is currently a refugee policy analyst for the non-government US Catholic Conference, came up with the idea during talks on Wednesday with National Security Council [NSC] deputy secretary general, Khachatphai Burutphat.

Mr Lowman said he would put his proposal to US authorities in Washington, Mr Khachatphai told THE BANGKOK POST.

The disclosure came four days after Thai authorities sent 87 Vietnamese refugees back to their country under an "orderly repatriation" programme Bangkok and Hanoi had agreed to earlier this year.

The repatriation, carried out in the early hours of June 29 amid protest from some refugees who slashed their stomachs, came one day before the US deadline for Vietnamese at Sikhiu to apply for resettlement interviews expired.

According to Mr Khachatphai, the repatriation had achieved the desired effect of persuading more Vietnamese to "volunteer" to go home.

"Over the past week, the number of Vietnamese refugees refusing to go home voluntarily has decreased from 3,700 to 2,000," he pointed out.

If the US extended the deadline for re-screening at Sikhiu, more would volunteer to go back to Vietnam, he added.

The estimated 4,000 Vietnamese at Sikhiu are among an estimated 35,000 Vietnamese boat people living in camps in Southeast Asia being given another chance to be screened for resettlement in the US.

But under the programme, known as Resettlement Opportunity for Vietnamese Returnees (ROVR), the boat people would have to return to Vietnam to be interviewed by US immigration authorities. The applicants would be contacted by US authorities within 60 days after their return to Vietnam.

According to Mr Khachatphai, Mr Lowman praised Thai authorities for the non-violent repatriation of Vietnamese from Sikhiu on June 29.

The Vietnamese government just wanted 30 "hard core" Vietnamese to be sent back, and indicated that they might pardon them, Mr Khachatphai added.

Mr Khachatphai quoted Interior Ministry officials as saying that voluntary repatriation would continue from Sikhiu camp over the next three months at the end of which the camp could be closed.

Thailand: Government's Repatriation of Lao Hmong Detailed

BK0707102396 Bangkok THE SUNDAY POST in English 7 Jul 96 p 2

[Report by Phanrawi Tansuphaphon]

[FBIS Transcribed Text] The Government is planning to clear the Tham Krabok monastery of hilltribe Laotians by early next year, after completing the repatriation of Laotians from Ban Napho.

National Security Council Deputy Secretary-General Khachatphai Burutphat stressed the need to "control" the Hmong at Tham Krabok, as their population had grown rapidly over the past few years, from a few thousand to about 10,000.

"If the Government can close the Ban Napho camp and all Lao refugees are repatriated by the end of this year, the next target will be the Lao Hmong at Wat Tham Krabok," Mr Khachatphai told the BANGKOK POST in a recent interview.

There are currently an estimated 5,000 Laotian refugees at Ban Napho, in Nakhon Phanom Province. Of this number, about 1,000 have been interviewed by American officials towards possible resettlement in the US, according to Mr Khachatphai.

The rapid growth of the Hmong population at Tham Krabok, located in Saraburi Province, has been attributed in part to the employment opportunities offered by local quarries.

The monastery is run by a Buddhist monk, Phra Chamrun Panchan, who won a Magsaysay Award for the herbal treatment he offers to drug addicts.

But the anti-communist Hmongs at Tham Krabok are drawing Laotian government concern and the problem must be solved, Mr Khachatphai said.

Laotian officials repeatedly ask about suspected anti-Vientiane activities by Laotians in Thailand, he added.

The Hmongs at Tham Krabok are an "illegal community", Mr Khachatphai stressed. The Government has allowed the monastery to function only as a centre for treatment and rehabilitation of drug addicts, he added.

But "careful" action would be needed to solve the Hmong problem there, he said.

At Ban Napho, American officials have been interviewing the mainly hilltribe Laotians since April under new resettlement screening due to close on September 30.

Criteria for admission into the US includes previous association with the US Army, or the Royal Lao Government and army in power before the communist Pathet Lao took over in 1975.

Laos last month rejected a Thai suggestion for the deportation of Laotians who fail to obtain admittance to the US, or who refuse to volunteer for repatriation under a United Nations-backed programme.

But Mr Khachatphai maintained that the Government was entitled to use the immigration law against Laotians in both these categories.

Thailand: Mexico Seeking Place as ASEAN Dialogue Partner

BK0607104896 Bangkok BANGKOK POST in English 6 Jul 96 p 2

[Unattributed Report]

[FBIS Transcribed Text] Mexico is seeking to be a sectoral dialogue partner with the Association of Southeast Asian Nations (ASEAN) as a stepping-stone to deeper ties between the two sides, Mexican Foreign Minister Jose Angel Gurria said yesterday.

Mr Gurria said after a two-hour meeting with his Thai counterpart Amnuai Wirawan that his country was "very keen" on cooperating with ASEAN's various sectors such as energy, automobile parts, cement, construction and machinery.

"Economically speaking, this is the most dynamic area of the world," the Mexican minister said, adding that Mexico and other Latin American countries could work with ASEAN in various fields.

Mr Gurria visited Indonesia, Malaysia and Singapore before coming to Bangkok on Thursday [4 July].

"We have received extremely positive response," he told reporters about his successful visit to ASEAN countries.

Mr Gurria departs for Tokyo today.

If approved, Mexico will be the first Latin American state to become a sectoral dialogue partner with ASEAN which also members Brunei, the Philippines and Vietnam.

India used to be a sectoral dialogue partner with the grouping before becoming a full dialogue partner this year.

Having the status of a sectoral dialogue partner would enable that country to cooperate with ASEAN in some specific areas such as trade, investment and tourism while being a full dialogue partner would cover political and economic issues.

Mr Amnuai said ASEAN foreign ministers will work out how to expand its relationship to other non-members as sectoral dialogue partners and full dialogue partners in the annual meeting in Jakarta later this month.

The Thai minister said the leaders of the two countries would sign a number of agreements, including investment Protection and promotion, cultural promotion and extradition of prisoners, when they meet at the summit of the Asia-Pacific Economic Cooperation in November in the Philippines.

There are three Mexican prisoners in Thai prisons on charges of drug trafficking, a Mexican diplomat said. Thailand and Mexico are among 18 members of the APEC forum.

Mr Amnuai reaffirmed the establishment of links between the ASEAN Free Trade Area and the North American Free Trade Agreement to promote trade and investment between the two zones in the future.

In another development, Commerce Minister Chuchip Hansawat said after a meeting with the Mexican Foreign Minister that Thailand had asked Mexico to allow the import of rice from Thailand without waiting for a guarantee from the Food and Agriculture Organisation that Thai rice does not contain fungi as suggested by complaints from Mexico.

Thailand: ASEAN's 'Wise' Move To Upgrade Russia Status Lauded

BK1007062596 Bangkok THE NATION in English 10 Jul 96 p A4

[Article by Kawi Chongkitthawon: "ASEAN Changes Anti-Russia Stance"]

[FBIS Transcribed Text] With the addition of three dialogue partners in China, India and Russia, ASEAN has once again made itself the centre of political and economic activity — reflecting its new thinking and capability to deal with post Cold War reality.

During the Cold War, ASEAN had no problem maintaining its ties with the three countries, which were classified under one group. ASEAN member countries were happy to keep the status quo going as far as these countries were concerned. But with the collapse of the Berlin Wall, relations have changed and the emergence of new realignments has forced ASEAN to make adjustments.

As these powers jockey for a foothold in the region, whose dynamic development has not gone unnoticed, ASEAN has inevitably become the main instrument that will have to be used by them to attain this objective. And each has used a different approach.

China was among the first to take advantage of the new regional environment and its global strategy included recognisance of ASEAN's importance. It has courted ASEAN diligently since 1991 when it was first invited to attend the annual ASEAN meeting in Kuala Lumpur along with Russia. Within five years, Beijing has nurtured and raised ASEAN-China ties to an unprecedented level from that of an arch enemy to a good friend.

Although fears of China's influence and military might still remain, they have somewhat subsided. ASEAN has more confidence these days in managing its relationship with China as channels of dialogue have been institutionalised both at senior official and ministerial levels.

India's experience with ASEAN has been unique. Long ignored by ASEAN, India has now become a land of opportunity for trade and investment for ASEAN businessmen. Reforms started five years ago have given India a new economic life.

It was rather fortunate that India obtained full dialogue status last December. Singapore's strong support through Prime Minister Goh Chok Tong helped convince other ASEAN countries of the importance of the world's largest democracy to the security and well-being of ASEAN and the Asia-Pacific region as a whole.

New Delhi is also attending the third ASEAN Regional Forum (ARF) for the first time in Jakarta next month. Its presence in the ARF will bridge the perception gap related to South Asia that is often lacking in ARF discussions. It will also use the ARF to reiterate its intention not to raise the delicate issue of Kashmir and that it would contribute constructively to the ARF canfidence-building process.

After years of reluctance, ASEAN decided to upgrade its ties with Russia on Monday, making it a full dialogue partner. This was a milestone considering the long-standing prejudice against Russia among ASEAN's members. Until recently, some ASEAN countries still argued that there were a lot of uncertainties in Russia and that the regional grouping should not rush into upgrading its ties with Moscow. ASEAN has also treated Russia at arm's length and numerous proposals coming from it have repeatedly fallen on deaf ears.

Russian diplomats based in ASEAN capitals pointed out that when their leaders met Western counterparts in the G-7 meetings and other forums, they were accorded respect commensurate to the status of a superpower. But in ASEAN, they grumbled that Russia has been treated as a second-rate power — a country that does not offer any immediate economic potential.

Viewed from this perspective, ASEAN's decision was laudable and is long overdue.

It was mainly prompted by last week's landslide victory of President Boris Yeltsin, the withdrawal of Russian troops from Chechnya as well as the pending G-7 proposal to make Russia its newest member.

ASEAN also believes that the presence of Yeygeny Primakov, the new foreign minister, in ASEAN's post ministerial meeting later this month will greatly inject the much-needed impetus into the grouping is relation with Russia. Unlike the previous foreign minister, Andrey Kozyrev, Primakov is considered by ASEAN policy makers to be pro-Asia and keen to put more emphasis on Russia's ties with countries in ASEAN and in the Asia-Pacific region.

As ASEAN grows and becomes a major player in regional and international politics, it is natural that major powers will continue associating themselves with it. Despite its sluggish economic performance and domestic problems, Russia remains a formidable force to be reckoned with. It is a wise decision for ASEAN to engage with Russia now on its terms.

Thailand: WTO Faces Pressure on Linking Human Rights to Trade

BK0607105096 Bangkok BANGKOK POST in English 6 Jul 96 p 2

[Unattributed Report]

[FBIS Transcribed Text] Medium-sized countries are seeking assurances from bigger members of the World Trade Organisation [WTO] that trading rights will not be linked to human rights, labour rights, or investment and competition policy, Deputy Premier Amnuai Wirawan said.

The medium-sized countries have proposed discussions involving ministers on these issues in Singapore.

But these must take the form of consultations and not negotiations, he said.

Mr Amnuai was speaking on his return to Bangkok after taking part in a meeting of representatives of 16 medium-sized countries in Switzerland this week.

They discussed their views on the forthcoming meeting of WTO ministers in Singapore this December.

Guidelines should emerge from the meeting, but they should have no legal binding, he said.

The discussions should not be based on specific standards already applied by some WTO members.

Compromise is needed when these standards are linked with trade, he argued.

Thailand, other ASEAN members and the Scandinavian countries supported the proposal, he said.

The meeting proposed systematic administration and linkage of regional groupings like the ASEAN Free Trade Area, the Asia-Pacific Economic Cooperation group, and the WTO.

He said medium-sized countries urged the bigger members of the World Trade Organisation to stop applying "unilateral" action, which he said could "destroy the world trading system".

He said there was optimism that negotiations in some service sectors like basic telecommunications and maritime transportation would be concluded soon.

But he said US complaints were holding up negotiations.

Mr Amnuai said problems in the multilateral negotiations had been created by internal political pressures of some members, especially the US in an election year.

He expects US trade policy towards the Asia-Pacific to be more conciliatory after the US presidential election is over.

He said the implementation of the Uruguay Round deal is the key issue assisting WTO members to assess the progress of the multilateral trade system.

Thailand wants to see full operation of the WTO and full implementation of the Uruguay Round commitments, in order to give the WTO greater credibility.

He touched on the problems of implementing the Textile and Clothing Agreement.

A number of importing countries have put "backload" integration of garment and textile quotas to the world trade system. They wait until nearly the end of the transitional period of 10 years to release quota-bound products into free trade.

Mr Amnuai called for measures to ensure future liberalisation of farm products despite progress on the implementation of the Agriculture Agreement.

Thailand: Shipping Offers Under WTO for Foreign Firms Withdrawn

BK1107054996 Bangkok BANGKOK POST in English 11 Jul 96 p 13

[Report by Somphon Thapphanachai]

[FBIS Transcribed Text] Thailand has decided to withdraw offers to open up its shipping markets to foreign companies under the World Trade Organisation, [WTO] a Business Economics Department source said yesterday.

The source said the department's Services Cooperation Committee made the decision because WTO negotiations on the liberalisation of maritime transport appeared to be deadlocked for the time-being.

The withdrawal of the offers would not necessarily mean a freeze on future foreign access to Thai shipping markets, which include both on-shore handling and sea transport.

The withdrawal does mean that Thailand is no longer prepared to convert its liberalisation measures into commitments under the WTO-commitments that would be difficult to amend.

It also means that basic WTO principles, such as the absence of discrimination between countries, would not have to be applied to the shipping sector.

A last-ditch attempt to rescue the world shipping talks failed last month when the United States refused to submit an offer even though 24 of the 42 countries participating in the talks had improved their liberalization offers.

At those meetings, held June 24-28 in Geneva, the negotiating group eventually decided to postpone new negotiations until 2000, meaning that a shipping agreement might not be reached until 2005.

ASEAN members have reacted differently to the deadlock. Malaysia, like Thailand, has announced that it will withdraw its offer to the WTO. The Philippines is still considering a possible withdrawal. Singapore, on the other hand, has confirmed its submission and Indonesia is considering confirming its offer.

The negotiations on maritime transport are among leftover business from the 1986-94 Uruguay Round of world trade talks. Some 42 countries have participated in the talks, with 16 observers and three international organizations also represented.

The improved offer from Thailand was submitted during the last few weeks of negotiations and withdrawn on June 28 when delegates reached a deadlock. Thailand's original offer was submitted before most Uruguay Round negotiations ended in 1993.

The source said the original offer was now being withdrawn because under an agreement reached among WTO members, offers submitted before December 1993 had to comply with the WTO principle of non-discrimination known as Most Favoured Nation. Under that principle, any most-favoured treatment that Thailand gives to any country would have to be given equally to all WTO members.

Offers submitted after December 1993 would not need to comply with the non-discrimination principle.

Thailand still has bilateral treaties with Vietnam and China prohibiting the use of third-country ships to carry goods between Thailand and either destination. For example, goods carried between Thailand and Vietnam have to be on Thai or Vietnamese ships. This discriminates against WTO members and violates the Most Favoured Nation principle.

The source said Thailand is also arguing that its offer would provide more open markets than the offers of other countries.

The offer submitted in 1993 would have committed Thailand to allow foreign companies access to international passenger and goods services, international towing, and various support services including freight forwarding, but with some exceptions.

For example, tax incentives would be granted to Thai shipping companies, while foreign ownership of companies providing port captain's services to foreign vessels or collecting waste and oily water would be limited to no more than 49 percent of equity.

The improved offer added liberalisation of such activities as "multi-modal" transport involving additional forms of transport such as inland shipping, road and rail.

Thai negotiators in Geneva will inform the WTO Secretariat about the country's withdrawal of its offers.

Thailand: Butrus-Ghali 'Wrong Man' To Lead United Nations

BK0807045696 Bangkok BANGKOK POST
in English 8 Jul 96 p 4

[Editorial: "UN Deserves A New Secretary-General"]

[FBIS Transcribed Text] It now seems clear there will be diplomatic blood spilt over the selection of the next secretary- general of the United Nations. The man who holds the post, Butrus Butrus-Ghali, says he wants another five years in office. When he was selected to the position in 1992, Mr Butrus-Ghali said he only wanted to serve a single, five-year term. Now he has changed his mind. But in the intervening five years, the Egyptian diplomat has harvested many controversies and political enemies.

Among them is the United States government, which has assumed the lead role in the dump-Butrus-Ghali movement. Mr Butrus-Ghali has already begun to exploit this opposition from Washington. He has portrayed it variously as anti-African, anti-Third World, and racialist. He has also claimed he is a victim of the U.S. presidential election this year, and that President Bill Clinton has co-opted the general anti-UN tone of his Republican opponent.

Mr Butrus-Ghali is wrong on all counts. The reason there is widespread opposition to renewing his role as secretary-general of the world body is because of his own actions since he took over the post at the beginning of 1992. He has been an active and aggressive secretary-general. But he has been quixotic and secretive, as well. Most importantly as the day approaches when UN members must decide to reappoint or retire him, Mr Butrus-Ghali has often been wrong. His power-mongering might have been excusable if his interference and pushiness had paid off. But it has not.

It was Mr Butrus-Ghali who bullied the world into the Somalia crusade, ordered UN "peacekeeping" forces to capture the warlord Mohamed Farah Aidid — and then threw up his hands. He set up the greatest UN task force since Korea in Cambodia — and left the country to fend for itself. He demanded, and received, powers as a military commander, with the power of life and death in the former Yugoslavia — and failed so badly that U.S. and European forces now appear unlikely to be able to put the pieces back together.

Mr Butrus-Ghali made his biggest blunder last January. In a speech in England, he called for international taxes on oil, airline tickets, passports and currency exchanges. He said he wanted the money so that the United Nations could be independent from its members, particularly those members who opposed the actions and ideas of the secretary-general. In an important way, the UN chief did us all a favour by this blatant call to move towards a one- government world. His call made it clear where Mr Butrus-Ghali hoped to take the United Nations during the second term he figures he is owed.

The question, then, is whether the United Nations should be an independent body, with a military force under the direction of the secretary-general. This is, as American slang puts it, a nobrainer. The UN secretariat is a servant of UN members, and subject to their instructions and control. Under no circumstances should the United Nations function as a body separate from its membership.

One need not examine the UN c?osely to see its vast shortcomings. Its bureaucracy is bloated, and its spending is profligate. Self- indulgence remains rampant in the world body. At a time when the entire membership of the UN is alternately pleading and ordering fiscal restraint, United Nations members recently spent $150,000 (3.75 million baht) for an entertaining trip to the independent nation of Papua New Guinea. Malaysia last week came out in strong support of the move to get a new secretary-general for the United Nations. Thailand should do the same, and work to convince other ASEAN members as well. Mr Butrus-Ghali is not a bad man, just the wrong man to lead the United Nations for another five years. Not only is his track record poor Cambodia, Yugoslavia, Somalia, Rwanda- but his vision is badly flawed. His notion of the UN as a heavily- armed police force with independent tax sources deserves no support. There is no shortage of qualified candidates to be UN secretary-general next January 1, but Mr Butrus-Ghali is not one of them.

Thailand: Amnuai Lowers Export Growth to 'Challenging' 14 Percent

BK0907055696 Bangkok BANGKOK POST
in English 9 Jul 96 p 16

[Unattributed Report]

[FBIS Transcribed Text] Thailand has revised its export target for the year owing to weakening demand from its traditional trading partners, Deputy PM [Prime Minister] Amnuai Wirawan said yesterday.

Based on strong figures last year, Thailand had forecast 18 percent growth in exports for 1996, but had now modified expectations to 14 percent, Amnuai told a luncheon meeting of the Foreign Correspondents' Club.

"Even if we are able to maintain the 1.6 trillion baht target, it still would be about 14 percent growth," he said.

Amnuai cautioned that sluggish export growth in the first five months of the year meant that 14 percent was "still a very challenging target."

Thailand: Chinese Dailies on Prachakon Thai's Return to Government

BK0807121096

[FBIS Report] Two Bangkok Chinese-language dailies — XIN ZHONG YUAN RIBAO and XING XIAN RIBAO — on 2 and 3 July respectively carry articles on the Prachakon Thai Party's decision to rejoin the Banhan Sinlapa-acha coalition government.

XIN ZHONG YUAN RIBAO's 2 July article by Chan Zhen on page 16 is entitled: "Samak's Shoelaces Cannot Tie Up Banhan's Worn Out Shoes." The article says that Prachakon Thai Party leader Samak Sunthorawet described his party as a pair of "shoelaces," which can play a "strengthening" role. People feel strange listening to such a comparison, and they cannot understand the party's reasons for rejoining the government. They wonder why the party decided to leave the government earlier since it could act as "shoelaces." The article says that the party accepted the invitation of other coalition parties to rejoin the government although it had just left the government less than half a month before. People in political circles and the mass media have criticized the decision. Nobody can accept the reasons given by the government or the Prachakon Thai Party.

According to the article, Prime Minister Banhan cited government instability as one of the reasons for inviting the Prachakon Thai Party to rejoin the coalition. This contradicted Banhan's earlier remarks. When the Prachakon Thai Party quit the government, Banhan repeated several times that the government was stable because it still commanded 214 seats in the House of Representatives. But now, he has said that the government was facing a lot of problems after it had lost the 18-seat Prachakon Thai Party. As a result, the return of the Prachkon Thai Party will also affect public trust in the Banhan government.

The article points out that "people in political circles know clearly that although the Prachakon Thai Party can help increase the number of government seats in the House of Representatives to 232, it cannot help strengthen government stability. The Banhan government remains unstable. Prachakon Thai Party leader Samak should understand that his party's return to the government cannot help extend the government's life. Since Prime Minister Banhan cannot even handle conflicts within his party, how can the seven parties cooperate with each other harmoniously? "

In conclusion, the article says: "In the people's eyes, the Prachakon Thai Party decision to rejoin the government is for personal interests, not national interests. But, how long can they maintain such interests?"

XING XIAN RIBAO's 3 July article by Liu Yinthong on page 12 entitled "The Prachakon Thai Party's 15 Days of Emotional Stress," says that after leaving the coalition government for just over 10 days, the Prachakon Thai Party decided to return to the government following an invitation from the prime minister and six other coalition parties. Earlier, the Prachakon Thai Party had decided to leave the coalition government for two reasons. First, the party was dissatisfied with the allocation of an additional cabinet portfolio for the Nam Thai Party. Second, the party was dissatisfied with the role played by the Phalang Tham Party. But, after realizing that the party cannot play the role of a neutral party in the parliament, the party decided to accept the invitation to return to the government. Although the decision to rejoin the government will create a negative image for the party, it hopes that people will forget this gradually.

Liu Yinthong says: "Prime Minister Banhan Sinlapa-acha may feel comfortable with the return of the Prachakon Thai Party because the Prachakon Thai Party's 18 seats will help strengthen the government's position and can be used to counter the Thoet Thai faction in the Chat Thai Party." The article points out that although the Prachakon Thai Party's return will increase the number of coalition government seats in the House of Representatives to 232, the government's stability does not depend on the number of seats. The people's support cannot be overlooked. The government will be short-lived if it lacks public trust.

In conclusion, the article says that "the Prachakon Thai Party's quitting or returning is not a major issue. The most important issue is how Banhan can exercise his wisdom and capability, and draw on collective wisdom and absorb all useful ideas to work for the people and build up a good image. Only by so doing, the government will be really stable. Otherwise, the Prachakon Thai Party's return to the government will be just like a drama."

Thailand: Sano Demands Banhan Quit Interior Ministry Post

BK0707130496 Bangkok THE SUNDAY NATION in English 7 Jul 96 p A2

[Unattributed Report]

[FBIS Transcribed Text] The rift between Prime Minister Banhan Sinlapa-acha and Public Health Minister Sano Thianthong widened yesterday as the Chat Thai secretary-general renewed his demand the premier relinquish the post of interior minister to defuse tension within the party.

Sano said the major cause of the current well-publicised problems within Chat Thai was the fact that party leader Banhan held the two key Cabinet posts. Banhan should show responsibility by giving up the interior portfolio, said Sano, who wants the job himself.

What is right, do it. Appoint whoever you want to the post. You should not hold two positions and then complain you are over-worked. Because of this, the party is also being criticised," he said, adding that he did not want to see Chat Thai destroyed by disputes between its members.

Sano described reports that Chat Thai's Thoet Thai faction was gathering signatures in support of party executive president Praman Adireksan being appointed interior minister as "worrisome".

But he said he believes Praman, a former Chat Thai leader, would be guided by his conscience.

Sano last week lashed out at Banhan, accusing him of monopolising major party affairs, a job that should belong to Sano as secretary- general. He was also upset by Banhan's failure to inform him and other Chat Thai MPs in Sa Kaeo that he planned to visit the province last Wednesday.

Sano reportedly rebuffed an apology from Banhan.

Outside the party, Defence Minister and New Aspiration Party leader Chawalit Yongchaiyut said he believes the prime minister will be able to resolve Chat Thai's internal problems, which he said would not destabilise the coalition government.

Democrat Party leader Chuan Likphai, meanwhile, said conflict between government partners had adversely affected the country. However, he said the opposition will not attack the government over its internal bickering in the planned no-confidence debate.

Samphan Thongsamak (Democrat-Nakhon Si Thammarat) said Praman will not have the chance to become interior minister because Banhan will dissolve the House soon. He added that the government no longer has the time to run the country effectively as the coalition partners were occupying most of its time solving problems within their parties.

Samphan also attacked the government over its recent listing of its major achievements in its first year in office.

"The government does not have any outstanding achievements after one year in office," he said. It should not claim that important events such as the Royal funeral for the Princess Mother and the celebrations of His Majesty the King's 50th year on the throne are achievements of the government."

The government had also claimed the Asia-Europe Summit Meeting in Bangkok as an achievement, said Samphan, but the meeting was initiated by the previous government.

Thailand: Authorities Report KNU, DKBA Clash at Border Camp

BK0707160496 Bangkok THAILAND TIMES in English 7 Jul 96 p A2

[Report by Atsawin Phinitwong]

[FBIS Transcribed Text] Tak — The Karen National Union (KNU) troops yesterday launched a military offensive against the rival The Democratic Karen Buddhist Army (DKBA) in order to retake its former bases on Thai-Burmese border, Thai authorities said.

Thai army sources said the offensive was led by Gen Tin Maung, commander of KNU's 7th Battalion, the last remaining strong military unit of the rebel group.

KNU sources confirmed reports of launching the attack, reasoning the DKBA must be stopped as they continued to launch incursions into Thai territory, looting, and killing unarmed civilians.

Yesterday's attack, which took about 20 minutes of cross-fire, resulted no casualty on both sides, sources said.

About 100 KNU soldiers were involved in the attack on the DKBA's temporary base opposite Tha Song Yang district in Tak province.

KNU sources said they seized three AK-47 rifles, more than 200 bullets and two long-tailed boats from the base.

Thailand: KNU Soldiers Attack, Seize Rangoon-Backed Karen Post

BK0807034596 Bangkok BANGKOK POST in English 8 Jul 96 p 6

[Unattributed report]

[FBIS Transcribed Text] Mae Sot, Tak — Karen National Union [KNU] fighters seized assault rifles, ammunition and boats after a 30-minute battle with Democratic Karen Buddhist Army [DKBA] guerrillas opposite Tha Song Yang on Saturday.

The fighting erupted when 100 KNU soldiers from Purupaw attacked the pro-Rangoon DKBA field command post across from Ban Nuang Bua, Tha Song Yang.

KNU sources claimed the DKBA fighters withdrew into the jungle after a battle lasting half an hour.

KNU soldiers who combed the DKBA position found three AK47 assault rifles and 100 rounds of ammunition left behind. Two long- tailed boats believed to belong to the DKBA unit were found moored on the Moei River bank nearby.

Thailand: Academics Praised for Role in Solving Problems

BK0607140396 Bangkok MATICHON in Thai 4 Jul 96 p 20

[Editorial: "Alarm From Thammasat University Economists That Government Should Heed"]

[FBIS Translated Text] The gathering of 20 Thammasat University's Faculty of Economics lecturers on 1 July to discuss the current economy and its coverage in the mass media allowed the government to be aware of their concern. The academics agreed that the economy is sick, as is evident by rising inflation, a drop in the export growth rate, a worsening current account deficit, and conflicting financial and fiscal policies.

The central criticism of the academics is the conflict between the government's economic policy and its solution to economic problems. They noted that while the government increases expenditure, it instructs the central bank to employ a stringent financial policy which tightens private sector credit. The government's attempt to please the business sector by reducing corporate tax from 30 to 27 percent contradicts efforts to increase domestic savings.

The academics' conclusion is interesting. They said a crisis in confidence has arisen in the private sector at home and abroad regarding the government's administration and policy, adding that the government should take this issue into consideration and set a clear and reliable economic policy. They have chosen their words carefully but the meaning is very strong.

Because the academics are well-intentioned, it would be wrong for anyone in the government to verbally attack them as they did Thirayut Bunmi. A good government should not react in a narrow- minded and vulgar manner but should reexamine itself to find an appropriate solution. The political activities that erode the people's confidence should also cease.

Thammasat University academics deserve praise for raising their ideas in public. The country's problems have not been addressed appropriately because society is weak and people lack interaction with each other, which in turn cause power holders to be able to pander to selfish interests. Academics nationwide who are aware of their responsibility and duty should not remain idle, but should somehow inform the government of their ideas honestly. If they can do this they will become an important mechanism for achieving a good government and correct solutions to problems.

Thailand: Government Told Economy To Collapse With Banhan in Power

BK0707102496 Bangkok THE SUNDAY POST in English 7 Jul 96 p 1

[Unattributed Report]

[FBIS Transcribed Text] Thailand's economy is in danger of collapsing if the Banhan Sinlapa-acha Government continues to administer the country.

This conclusion was reached yesterday by the participants at a seminar jointly organised by economics lecturers and the Confederation for Democracy, on the deteriorating economic situation under the current government.

They cited the weak points of the Government's economic management as its lack of clear economic policy attempts to interfere in financial institutions, protecting the interests of its own people, giving in to budget demands by certain influential parties and failing to effectively solve economic problems.

Chulalongkon University's Phasuk Phongphaichit said the Government has no economic policy at all. Neither does it have insight into the country's economic system. It lacks vision or the ability to plan in relation to national economic development.

"The Government simply manages the economy on a day-by-day basis."

It has also tried to help property developers, among others, with which it has had close connections by pushing for interest rate cuts now the real estate business is suffering huge losses.

As for the cabinet resolution allowing some businesses to hire foreign workers, it was adopted purely in response to demands for cheap labour by certain influential groups of investors, without considering the negative impact that the measure could have, Mr Phasuk said.

The lecturer also said Mr Banhan "pampered" the armed forces too much. The Premier's inspections of the weapons stockpiles of military units indicated he might support their procurement plans.

Expensive weapons purchases have been criticised as having aggravated the country's current account deficit.

Finally, Mr Phasuk said, the Premier has tried to gain control over the Bank of Thailand and its executives.

"A government of this type is a danger to the country's survival," he concluded.

Another Chulalongkon University economics lecturer, Sangsit Phiriyarangsan said the Government's economic measures have contradicted one another, resulting in inefficiency in problem solving.

The Banhan administration fails to look at problems at the macro- economic level and only does whatever helps protect the interests of its own people.

It has also been slow to tackle serious economic crime like the Bangkok Bank of Commerce scandal.

Mr Sangsit urged Mr Banhan to take legal action against all politicians implicated in the scandal or he himself could be seen as being connected with the crime.

Some politicians from Mr Banhan's Chat Thai Party, including former deputy interior minister Suchat Tancharoen, have been implicated in the scandal.

Mr Sangsit said there was concern about whether the appointment of the new Bank of Thailand governor would be free of political interference.

Mr Banhan's "standard" was to pick persons who are able to serve his own policies or people, he alleged.

If the central bank governor is appointed for political reasons, then the country's finances and economy will remain in crisis, Mr Sangsit said.

He said the so-called illegal economy now had a revolving fund of at least 800 billion baht a year which was shared among only a few groups of people.

This money was generated from prostitution, trafficking in humans, trading in illegal logs, drugs, smuggled oil and gambling and underground lotteries.

The income from these illegal activities is enough to sustain their economic status and shield them from the economic crisis.

Mr Sangsit said the "illegal money" was paid to these people three times a month and was used to strengthen political bases at both the local and national levels.

Ministerial portfolios provide such persons with the chance to accumulate even more wealth, he said.

Somsak Taembunloetchai, a lecturer at Thammasat University's Faculty of Economics, said the Thai economy is now in recession.

Though the situation may not be as serious as it was in 1980 during the time of the Prem Tinsulanon government when there was an economic crisis, the Banhan Government's measures have not helped to solve the problem.

Mr Somsak said the injection of 30 billion baht into the stock market, tax cuts on imported luxury items and the establishment of two committees to promote Thai investment overseas and maintain economic stability would not help buoy the economy.

Attempts to interfere in Bank of Thailand operations was a "danger sign" regarding the country's economic system, he said.

Mr Somsak said the public sector has already "spent too much", causing the current account deficit and inflation to worsen.

Confederation for Democracy chairman Sant Hatthirat, meanwhile, branded the Government's efforts to promote political and economic development as a failure.

He said the Government had failed to develop the country's political framework or map out a political development plan.

Thailand: Prime Minister Comments on New Central Bank Chief

BK1007070596 Bangkok Radio Thailand Network in Thai 0000 GMT 10 Jul 96

[FBIS Translated Text] Yesterday, the Cabinet approved the appointment of Roengchai Marakanon, deputy governor of the Bank of Thailand, to become new governor of the Bank of Thailand. He will be replacing Wichit Suphinit, who earlier resigned from the post. Prime Minister Banhan Sinlapa-acha said that although questions were raised on the issue, no one expressed objections to it during the cabinet meeting.

[Begin recording] [Banhan] Questions were raised at the cabinet meeting and no one expressed any objections.

The appointment of deputy governors is under the authority of the new governor.

[Unidentified reporter] On the appointment of Roengchai?

[Banhan] Yes, all agreed without any problem. [end recording]

Regarding the appointment of Roengchai as the new governor of the Bank of Thailand, Finance Minister Bodi Chunnanon said Roengchai was selected because he was the most suitable person.

[Begin recording] [Bodi] ...because he is the man most suited to the job and most capable to handle the assigned tasks.

[Unidentified reporter] There have been criticisms that our country places too much emphasis on individuals. Do you think there should be measures or a system established to prevent such a practice?

[Bodi] No, it is not so. The system still works, the individual supports the system to make it work in accordance with the set direction. I believe that the individual is just as important as the system. There has been no change in the system. Our system is a good one and a practicable one. The person to shoulder the task to make it work in accordance with the system set should handle it accordingly. I believe he will be able to do so, because the Bank of Thailand's system is well laid out and it is beneficial to the country's economy; therefore, if the new governor follows the set system, it will be beneficial. [end recording]

The newly appointed governor of the Bank of Thailand said he is ready to work for the bank and to do his best with the efficient working team of the personnel of the Bank of Thailand. The reporter of the Public Relations Department reports:

[Begin recording] [Unidentified reporter] The new governor of the Bank of Thailand said that he is confident he will be to work with great efficiency when he joins the team with the high quality personnel of the Bank of Thailand. After the official cabinet announcement was made, Roengchai Marakanon, new governor of the Bank of Thailand, granted an interview with reporters at the bank headquarters:

[Roengchai] I am confident that I will perform my duties as governor of the Bank of Thailand to the best of my ability. This is not because I am so knowledgeable or capable, I do not believe in a one-man-show, I believe in teamwork. I believe that the personnel of the national bank are of the finest quality and ability. We regard this as one of the best central banks in the region. That is why I am so confident. I am determined to effectively work with such a team. [end recording]

Vietnam

SRV Party Central Committee Political Report

BK0907114796 Hanoi QUAN DOI NHAN DAN in Vietnamese 30 Jun 96 pp 3,6

[Political Report presented by the Seventh CPV Central Committee to the Eighth National Party Congress held at Ba Dinh Conference Hall in Hanoi on 28 June-1 July 1996 — date of report not given]

[FBIS Translated Text] Dear delegates to the Congress, comrades and friends:

The Eighth Party Congress of the Communist Party of Vietnam convenes at a time of great historical significance. The comprehensive renovation undertaking set by the Sixth National Party Congress has been implemented in almost 10 years. Since that congress, our nation has undergone great and fundamental changes. The Eighth National Party Congress is dutybound to appraise results in implementing the resolution of the Seventh National Party Congress during the past five years; review the implementation of the renovation undertaking during the past 10 years; and set forth objectives, orientations, and tasks for the entire party and people in the new stage of national construction and defense with the key task of accelerating national industrialization and modernization.

Part One: The Nation After 10 Years of Renovation

Since late 1970's, when our nation experienced a socioeconomic crisis, our party — on the basis of reviewing realities and the creative experiences of our people — has set forth many lines and policies on a partial renovation. Nevertheless, the various weaknesses of socialist construction models at that time were not fundamentally overcome. Our country was encircled and imposed upon by an embargo. Moreover, in implementing the various reforms we made a number of new mistakes, thus precipitating an acute socioeconomic crisis; the inflation rate hit 774.7 percent in 1986.

In late 1986, at the Sixth National Party Congress, in the spirit of "facing the truth, accurately appraising the truth, and speaking the truth," our party seriously reviewed its leadership, asserted its achievements, analyzed its mistakes and shortcomings, and set forth lines for a comprehensive renovation, thus open up a turning point in the socialist construction of our country.

After the Sixth National Party Congress, the renovation undertaking was vigorously implemented. The situation, however, became complicated and, at certain times, the difficulties seemed impossible to overcome. For three consecutive years, inflation remained at three-digits; the daily livelihood of wage earners and social welfare recipients deteriorated seriously; many state enterprises and small industrial and handicraft cooperatives fell into stagnation, operated at a loss, produced at a moderate rate, or were even closed down; dozens of thousands of workers were forced to leave their enterprises; tens of thousands of teachers gave up their profession; credit unworthiness was widespread; and complicated international development affected our country adversely.

In meeting this situation, our party, state, and people clearly showed their firm determination to overcome difficulties, maintain political stability, and resolve various pressing socioeconomic issues, thereby applying the Sixth National Party Congress resolutions to daily life. In early 1988, there was serious famine in many areas and inflation was still at 393.8 percent. Since 1989, however, our nation has begun to annually export 1 to 1.5 million tonnes of rice. The inflation rate has gradually diminished, and by 1990 it was at only 67.4 percent. The implementation of the three major economic programs recorded clear progress. The commodity-based multisectoral economy operated according to the market mechanism under state management began to take shape. The people's daily livelihood improved, democracy developed in society. National defense and security were firmly maintained; diplomacy, which was expanding, extricated Vietnam from encirclement and isolation. The party building task recorded notable progress. The people's confidence was restored.

Despite these positive changes, these achievements were still limited and unsound and many pressing issues emerged. The Seventh National Party Congress noted: The renovation undertaking had recorded initial, yet very significant achievements, but our country still could not extricate itself from the socioeconomic crisis.

The Seventh National Party Congress passed the platform on building the nation in the transitional period toward socialism, the strategy on stabilizing and developing the socioeconomic domain up to the year 2000, the political report, and the revised party statute. It set forth general objectives for the 1991-95 five-year period, which include: Overcoming difficulties and ordeals, stabilizing and developing socioeconomy, strengthening political stability, repelling negativism and social injustice, and basically extricating our country from the crisis situation. The congress solemnly declared: Vietnam wants to befriend all countries in the world community that are struggling for peace, independence, and development.

After the Seventh National Party Congress, the downfall of the former Soviet Union had a profound effect on our country. The majority of our cadres and people were worried, a number of people vacillated over, and became skeptical about, the future of socialism. Our economic ties with traditional markets were upset. The U.S. maintained its embargo on us. A number of hostile forces stepped up their activities to create political instability, rebellion, and overthrow. Our country again faced numerous dangerous ordeals.

Nevertheless, our party and people firmly kept to the renovation policy, strove to implement the Seventh Party Congress resolution, overcame difficulties and obstacles, and achieved many new and greater successes.

I. Success

1. Stepping up the pace of socioeconomic development, overfulfilling many key targets of the five-year plan:

In the five-year period of 1991-95, our annual GDP growth rate averaged 8.2 percent (the planned target was set at 5.5-6.5 percent). The annual growth rates of industrial production averaged 13.3 percent, agricultural production 4.5 percent, and exports values 20 percent. There were some improvements in the economic structure: Contributions from industry and building to the GDP rose from 22.6 percent in 1990 to 29.1 percent in 1995; while services rose from 38.6 percent to 41.9 percent. There were initial savings within the economy. Infrastructure investment comprised 15.8 percent of the GDP in 1990 and increased to 27.4 percent in 1995 (in which domestic investment accounted for 16.7 percent of the GDP). By the end of 1995, the total registered capital of all foreign projects stood at more than $19 billion, of which one-third has been put to use. Inflation dropped from 67.1 percent in 1991 to 14.4 percent in 1994, and 12.7 percent in 1995.

Scientific and technological activities have been linked more closely with the socioeconomic development requirements and have gradually readjusted to the market mechanism.

Production relations have been readjusted to better suit the requirements in the development of production forces. The commodity-based multisectoral economy, which is managed by the state along the socialist path, continues to be built.

2. Some positive changes in the social welfare domain:

Material life for the majority of the people has improved. The numbers of middle-income earners and the rich have increased and the poor decreased. An additional one million workers have been given employment. Many homes and roads have been upgraded or built, both in the countryside and in various cities.

The people's intellect and their cultural appreciation have been enhanced. Education and training, medical care, cultural and artistic activities, sports and physical education, mass media, family planning, and other social activities have developed with notable progress.

Laborers have been liberated from the shackles of irrational mechanism, while being able to develop their right to power; enhance their dynamism and creativity; and become self-motivated in finding employment for themselves, in raising their incomes, and in participating in community activities.

The policy of repaying those who have given meritorious service to the nation has been implemented by people throughout the country; the movement to eradicate hunger and alleviate poverty and other charitable activities is being expanded and is becoming a new beautiful feature of our society.

The people's confidence in the regime and the country's future, as well as in the party and the state, has been enhanced.

3. Continuing to maintain political stability and strengthen national defense and security:

We have firmly maintained political stability; protected national independence, sovereignty, and the peaceful environment of the nation, thereby creating fundamental favorable conditions for the renovation undertaking.

The party has more clearly defined the orientations, tasks, and the guiding concepts for national defense in the new situation. It has also continued to successfully readjust its national defense and security strategy. The requirements for strengthening national defense and security, and improving the livelihood of troops have been met more than satisfactorily. The quality of the army and its militancy have improved. The all-people national defense combat array has been consolidated. Political stability and social order and safety have been strengthened.

4. Successfully making certain important changes in the political system:

On the basis of the platform to build the country during its transition to socialism, we have gradually concretized the renovation lines in various domains; consolidated the party politically, ideologically, and organizationally; strengthened the party leadership role in society; promulgated the 1992 Constitution; revised, supplemented, and promulgated many important legal documents; further renovated our national administrative system, and continued to build a law-governing state of the Socialist Republic of Vietnam. The Vietnam Fatherland Front and other political and social organizations have gradually renovated their activity programs and working procedures and have therefore become more effective. The people's right to power in the various areas — economic, social, political, ideological, and cultural — has been fostered. The compatriots of various ethnic minority groups and the people of all walks of life in our country have become increasingly united and attached in making the people prosperous, the country powerful, and the society equitable and civilized. More of our overseas compatriots have also looked toward their homeland for that great cause.

5. Vigorously developing foreign relations, breaking the siege and isolation, and positively participating in the life of the international community:

We have positively and spiritedly deployed the foreign policy of independence and sovereignty and the multilateral and diversified diplomatic activities. We have restored normal ties and developed our multifaceted cooperation with China; strengthened our special relations of unity and friendship with Laos; built better relations with Cambodia; developed relations with other countries in the region; became a full member of ASEAN; consolidated our traditional friendly relations with many countries, gradually renovated our ties with the Russian Federation, countries in the Commonwealth of Independence States, and those in Eastern Europe; expanded our relations with industrialized nations; normalized relations with the United States; established and broadened our relations with many countries in South Asia, South Pacific, the Middle East, Africa, and Latin America; and broadened relations with the Nonaligned- Movement and other international and regional organizations.

Our party has continued to promote its solidarity and friendship with various communist and workers' parties, national independence movements, and progressive organizations and movements in the world. It has established relations with the ruling parties of certain countries and broadened external relations of the various mass organizations and social groups. It has promoted its relations with the various nongovernmental organizations in the world.

So far, our country has established diplomatic ties with 160 countries and trade ties with over 100 countries. Over 50 countries and territories have made direct investments in our country. Many governments and international organizations have offered us nonrefundable aid or loans for development.

Diplomatic achievements are an important factor that have helped us firmly maintain peace, break the siege and blockade, improve and raise our country's position in the world, and create a favorable environment for national construction and defense. These are positive contributions from our people to the world people's common struggle for peace, national independence, democracy, and social progress.

II. Deficiencies and Weaknesses

Together with a correct evaluation of our achievements, we also need to recognize our deficiencies and weaknesses.

1. Our country is still poor and underdeveloped, but we have not satisfactorily practiced thrift in production and consumption or accumulated capital for investment and development purposes:

Ours remains one of the poorest countries in the world, with very low levels of economic development, productivity, and efficiency in production and business. Our material and technological bases are backward. We still owe huge debts. There is an enormous and pressing need for capital for investment purposes. Meanwhile, a number of state agencies, party organs, mass organizations, economic units and a portion of cadres and people are still wasteful in their spending. They live beyond their means and fail to save money for investment and development purposes. The state is still in need of an effective policy to mobilize capital sources within the people. In 1995, capital construction using domestic capital sources (capital depreciation included) equalled only 16.7 percent of GDP, of which the capital from the state budget only accounted for 4.2 percent of GDP, which is too low when compared with the demand for economic development. The use of manpower is still fragmented, ineffective, and not concentrated resolutely on urgent socioeconomic programs.

2. Many cases of negativism still affect society and many social problems still need solutions:

Corruption, smuggling, and wasteful squandering of public property have yet to be checked. Serious negativism persists within the state and party apparatuses and people's organizations, especially in the fields of land and housing, capital construction, investment cooperation, taxation, import and export, and even in the activities of many law enforcement agencies. Polarization of wealth has increased between the various regions, between urban and rural areas, and between different sections of the population. The living standards of a section of the population, especially those living in former revolutionary and resistance bases, and ethnic minority areas, have not improved. The quality of education and public health services in various regions is too low. Poor people cannot afford to pay for medical treatment or to keep their children in school. Meanwhile, financial funding that can be drawn from the state budget or from other sources to support public utility projects remains very limited or is not utilized effectively. Traffic congestion, pollution of the ecological environment, and the destruction of natural resources are constantly on the rise. The circulation of poisonous cultural materials is widespread, social vices flourish, and the situation concerning public security and order is complicated.

3. The task of guiding the establishment of a new production relationship is carried out both confusedly and loosely:

No prompt measures have been taken to disentangle structural and policy problems to create a momentum and a favorable setting for state business establishments to improve their work efficiency and develop their leading role in the national economy. The implementation of pilot projects for equitization among state enterprises is still slow. We have not paid appropriate attention to reviewing realities or setting forth orientations and measures to renovate the cooperative economy, that have henceforth led to a situation in which a number of cooperatives crumbled, operated merely for form's sake, or even hindered production. We have not derived experiences in time or have helped with the development of new forms of cooperative economy. Furthermore, we have not applied adequate policies to encourage the private economic sector to develop its potential. The management of this private economic sector is still unsatisfactory. The management of joint ventures with foreign countries also displays many shortcomings.

4. The role of the state in the management of socioeconomic development is still weak:

The legal system, mechanisms, and policies are not uniform and consistent and no strict measures have been taken to ensure serious implementation.

Finance, banking, pricing, planning, construction, and land management still display many weaknesses. The pace of administrative reform is still slow. The state trading sector still misses a number of important "battlefields" and fails to play a key role in the market. The management of import-export activities displays many flaws and indications of negativism, creating unfavorable effects on production in certain circumstances. The income distribution system contains many unreasonable provisions. Budget overruns and the import surplus have both been enormous. Inflation has been checked, but the results of inflation control are not steady yet.

State management over science and technology, protection of natural resources and the ecological environment, education and training, information, press and publishing activities, culture, and the arts is still unsatisfactory.

5. The political system still has many weaknesses:

The competence and efficacy of party leadership, the effectiveness of state management and administration, and the efficiency of the activities of political and social organizations are not up to par with the requirements of the situation. The apparatuses of the party, state, and mass organizations have been slow to reorganize, streamline, and improve in quality. There are still instances of bureaucracy and serious violations of the people's democratic rights. The tasks of staff selection; fostering, transferring, rejuvenating, and preparing cadres for replacement are still confusing and sluggish. The competence and quality of the contingent of cadres are not up to par with the demands of their duties. What causes the most concern is that many cadres and party members are losing their revolutionary ideals and are becoming alienated from moral quality; the militancy at some grass-roots party organizations is deteriorating.

II. General Evaluation

After 10 years of implementing the comprehensive renovation policy and five years of carrying out the Seventh National Party Congress' resolution, our country has overcome the vigorous period that was full of ordeals. Under the most difficult and complicated circumstances, our people have not only stood firmly, but have also surged forward to score outstanding achievements in many aspects.

The renovation undertaking of the past 10 years has recorded great achievements of important significance. The tasks set by the Seventh National Party Congress for the five-year period of 1991-95 have been basically accomplished.

Our country has come out of the socioeconomic crisis, but the achievements in some aspects have yet to be firmly consolidated.

The task set for the initial stage of the transition period is to prepare the prerequisites for industrialization. This task has been basically completed, thus enabling us to shift to the new stage of accelerating national industrialization and modernization.

The path to socialism in our country has been more clearly defined.

Generally speaking, the planning and implementation of the renovation policy during the past years have been basically correct and on the right socialist path, despite that during the implementation process there were prolonged shortcomings and deviations causing disorientation in certain areas and at different levels.

IV. Main Lessons

The aforementioned achievements have resulted from a process of research, renovation, close monitoring of the realities, and the continued struggle of our party and people. These were reflected in the resolution of the Sixth Plenum of the Party Central Committee (seventh tenure) on the introduction of policies on promoting "expanded production"; the Party Central Committee Secretariat (seventh tenure) Directive No. 100 on the end-product contract to group and individual workers at agricultural cooperatives; Decisions No. 25 and 26-CP of the Prime Minister on balancing resources and the three-part plan; the Fifth Party Congress' assertion on redetermining priorities in economic development and its affirmation that agriculture is the foremost front; the Fifth Party Central Committee's Eighth Plenum Resolution of June 1985 on prices, wages, and monetary issues; and the inferences of the Fifth Party Central Committee's Political Bureau in August 1986 on a number of issues related to economic concepts.

The initial experiences obtained in the aforementioned partial renovation became the premises that shaped the comprehensive renovation line at the Sixth Party Congress. This line has been formed on the basis of developing the spirit of national independence and sovereignty and on the review of the creative experiences of our people, various echelons, and sectors. The line has conformed to the law and has met aspirations of the people, thus being promptly translated into life.

During the renovation process, especially at those important junctures, our party was able to come up with many important national policies. Examples of these are the timely inferences reached at the Sixth Plenum of the Party Central Committee (sixth tenure) on affirming the five principles for the renovation process; the resolute rejection by the Sixth Party Central Committee at its sixth, seventh, and eighth plenums of the initial indications of political pluralism appearing in the party; the Party Central Committee Plenum resolutions that provided sharp and timely assessments of developments in the world situation in the late 1980's and early 1990's; the approval of the party's strategic platform and the revised party statute at the Seventh Party Congress; the passage of the new Constitution in 1992; the efforts made by the midterm conference of party delegates to point out opportunities and dangers and to assert tasks in further advancing national industrialization and modernization; and resolutions of the Seventh National Party Congress and other important resolutions and decisions of the party and state that have further substantiated, supplemented, and developed the renovation line in almost all areas of activity. With these correct decisions, our entire party and people have overcome difficulties and obstacles in attaining successes, as seen today.

In reviewing the renovation process over the past 10 years, we can learn from the following main lessons:

1. Firmly maintaining the goal of national independence and socialism during the renovation process; firmly grasping the two strategic tasks of building and defending the fatherland, and steadfastly adhering to Marxism-Leninism and Ho Chi Minh Thought:

We have clearly asserted that renovation does not mean changing the socialist goal, but rather adopting a more correct view on socialism. To achieve this goal, we must adopt appropriate formats, steps, and measures. We must combine our persistence on revolutionary principles and strategy with flexibility and creativity in tactics; and be sensitive in acquiring new things.

Renovation must be carried out on the basis of preserving, succeeding, and developing the nation's valuable tradition and those revolutionary gains. Stern criticism of mistakes and shortcomings must be carried out by acknowledging those things that are correct without negating our entire past, and without becoming confused and losing our direction in such a way as to jump from one extreme to another.

2. Closely combining economic renovation with political renovation from the very beginning, taking economic renovation as the key task while step-by-step renovating the political renovation:

Judging by the overall situation, the party has started the renovation of political thinking by drawing up domestic and foreign policies and lines. Without that renovation, other renovations would not be possible. Our party was right when it first concentrated on successfully implementing the task of renovating the economy and overcoming the socioeconomic crisis. This created the necessary material and spiritual preconditions for maintaining political stability, building the people's confidence, and creating favorable conditions for the renovation of other aspects of social life.

In renovating the organization and the operational structure of the political system, we have taken careful and steady steps. We have proceeded from resolving issues that are most urgent and must be dealt with immediately. Our awareness of this vital task is very complex and sensitive and should any errors occur out of hastiness, we would have to pay a high price or face an irretrievable situation.

The main goal of renovating the political system is to carry out socialist democracy satisfactorily and fully develop the people's right to power. An important lesson to be learned is that democracy must be accompanied through discipline and order. We must overcome violations of the people's right to power, while at the same time we must guard against the tendency toward extremist and radical democracy. We must categorically defeat all attempts to abuse "democracy" and "human rights" to create political disturbances against our regime or interfere in the internal affairs of our country. We must categorically disapprove of political pluralism and the multiparty system.

3. Building a commodity-based and market-oriented multisectoral economy must be accompanied by efforts to strengthen the state management role along the socialist path. Economic growth must be accompanied by social progress and justice and by efforts to preserve and develop national cultural identity and protect the environment:

Applying various economic formats and methods on managing the market economy are chiefly aimed at making use of the positive aspects for the service of socialist construction without letting the country drift along the capitalist path.

The market-oriented economy has certain aspects that contrast with the nature of socialism. These include the tendency of excessive discrimination between the rich and the poor, the tendency to worship money and trample upon ethics and human dignity for the sake of money.... While moving toward a market economy, we must resolutely struggle to overcome and minimize these negative tendencies.

To develop the work force, it is necessary to develop the potential of all economic components. Admittedly, exploitation still persists and certain degrees of discrimination between rich and poor in society still remain. Nevertheless, we must always concern ourselves with protecting the interests of the working people. We must encourage the amassing of wealth through legitimate means and fight the amassing of wealth through illegal means. We must attach great importance to hunger eradication and poverty alleviation and the gradual promotion of social justice to make every person and household well-off.

4. Expanding the universal great unity bloc and developing the strength of the entire nation:

Revolution is a cause of the people, for the people, and by the people. The people's suggestions, aspirations, and initiatives are the roots from which the party's renovation line has taken shape. It is thanks to the people's response to the renovation line and their brave struggle to overcome countless difficulties and ordeals that the renovation process has produced the good results seen today. To continue to move the renovation process toward greater achievements, we must expand, in a more satisfactory fashion, the universal great unity bloc that encompass Vietnamese compatriots at home and abroad, develop democracy, and mobilize to the fullest the strength of the entire nation for the cause of a prosperous people, a powerful nation, and an equitable and civilized society.

5. Expanding international cooperation; winning sympathy, support, and assistance from the world community; and combining national strength with that of the era:

Our people's current renovation undertaking conforms to the era's trend of development and has won sympathy and support from the people of various countries. While striving to develop optimally the impetus of self-reliance and improvement and mobilize all sources of internal energy, we must satisfactorily exploit various new favorable conditions in foreign relations and extensively expand relations of friendship and cooperation with other countries for peace, independence, and development. We must create a favorable international environment and create positive factors to serve the cause of national construction and defense. In expanding our international relations, we must stick to the basis of firmly protecting national independence and sovereignty, promoting equality and mutual interest, and maintaining and developing our fine national identity and traditions. We must carry out multilateral and diversified diplomatic activities while attaching importance to continuing and developing our traditional relations with various countries.

6. Enhancing the party leadership role, considering party building a key task:

Our nation's revolutionary undertaking is led by the Communist Party of Vietnam, the ruling party. Victories, achievements, failures, and losses in the revolution are the party's responsibility. In undertaking national renovation, the party should seriously review its mistakes, shortcomings, and weaknesses; renovate and revamp the party, and enhance its combativeness and leadership capability. Various forces that are hostile to socialism and national independence always aim their attacks at the party and integrate their efforts to undermine the party's foundation, ideology, and organization. They normally resort to the tactic of distorting history; rejecting the revolutionary gains and sacrifices and efforts of the communists; exaggerating the mistakes and shortcomings of the party; and demanding bourgeois-style human rights and democracy, the depoliticization the state machinery, pluralism, and a multiparty system with the aim of eliminating the party leadership role. They use opportunists, political rivals, and ethical degenerates to sow divisions, weaken, and undermine the party from within.

Clearly realizing the new requirements of the revolution and the above mentioned schemes and tactics to oppose and undermine us, our party affirms that in the current stage, economic leadership is important work and party building is the key task. It is essential to attach importance to reviewing party building tasks. We must consolidate the party politically, ideologically, and organizationally, while strengthening the cadre-related task. We must enhance the working-class' characteristics and the party's pioneer role; stop the tendency to degrade the party leadership role; renovate the leadership modes; and enhance the party's standard and effective leadership over the political system and society.

Part Two: Objectives Until 2020 and 2090

General Situation

1. Characteristics of the international situation:

The renovation and national construction and defense continue to develop against the background of swift and complicated changes in the international situation with many unpredictable factors.

Some of the salient points are:

— With the collapse of socialism in the former Soviet Union and Eastern European countries, socialism has suffered a temporary setback. This does not change the characteristics of our times, however; humanity is still living in the transitional period from capitalism to socialism. Capitalist conflicts continue to exist and develop in fundamental areas with new contents and features. National and class struggles continue in various forms.

— The danger of a destructive world war has been pushed back, but armed conflicts, regional wars, ethnic and religion conflicts, the production and trafficking of weapons, arms races, interventionist and subversive activities, and terrorism still occur in many places.

— The scientific and technological revolution is developing at an increasingly rapid pace, thereby accelerating various production forces and the process of globalization of the world economy and social life.

— Development opportunities are open to all countries, but because all the advantages in capital, technology, markets, and so forth belong to industrialized capitalist countries and multinational companies, the underdeveloped and developing countries face enormous challenges. The gap between rich and poor countries is widening. Competition in economics, trade, science, and technology is becoming more vigorous.

— The world community is now facing many problems of global significance — such as environmental protection, limiting the population explosion, and the prevention and repression of diseases. No single country can solve these problems without multilateral cooperation from others.

— The Asia-Pacific region is developing dynamically and will continue at this pace. Nevertheless, the region is also strongly influenced by powerful countries and contains elements that might cause instability.

In the field of international relations there are various major trends that can be listed as follows:

— Peace, stability, and cooperation for development have become the urgent demand of all people and nations in the world. All countries give a high priority to economic development, considering it a decisive factor in creating the combined strength of their nations.

— Various countries, big and small, participate more actively in regional and international cooperation and cooperate in economics, trade, and other fields. Cooperation is developing, but competition has become vigorous and fierce.

— People have a higher sense of national independence, self- determination, and rejection of intervention and coercion by foreigners while striving to protect national independence, democracy, and national culture.

— The socialist countries, communist and workers parties, and revolutionary and progressive forces in the world continue to fight resolutely for peace, national independence, democracy, and social progress.

— Nations under different political regimes cooperate and struggle simultaneously under the principle of peaceful coexistence.

The aforementioned characteristics and trends are the harbingers of the multilateral and diversified international relations practiced by many countries.

The regional and world situation also has a profound effect on various aspect of our society, providing us with important opportunities as well as great ordeals.

2. Opportunities and challenges:

The achievements of the renovation undertaking have been continuously creating new stature and strength both at home and abroad, which are enabling us to enter a new development stage. Many essential premises for industrialization and modernization have been secured. Our relations with the world have been expanded more widely than ever before. Our ability to safeguard our independence and sovereignty and to integrate into the world community are continually growing. These are our major opportunities.

The four dangers pointed out by the Mid-Term Party National Conference (January 1994), however, remain grave challenges. These dangers have interchangeable relationships and we must not regard any of them lightly as they are all dangerous.

The risk of falling behind other countries in the region remains a major and critical challenge to us. Our starting point was low to begin with, and we must fight our way in a fiercely competitive environment. There are still forces continuing their plot of "peaceful evolution" by hurling the disguise of "democracy" and "human rights" to cover their intention to interfere in our internal affairs. The situation in the regions of Asia Pacific and the East Sea [South China Sea] is still complicated. Deviation from socialism and officialdom and corruption are still great risks. Officialdom, corruption, and degradation in character and morality standards of a portion of cadres and party members are weakening the party and state apparatuses, deteriorating people's trust in the party and the regime, and causing deviation in the implementation of the lines and policies of the party and state. The situation constitutes a haven for the development of peaceful evolution.

Advantages and difficulties, opportunities and challenges are intertwined. We must strive to seize the opportunities, accelerate the rapid, but solid development, create new stature and strength, and at the same time be alert and resolute in repressing and overcoming all the risks, including the newly-arising ones, in order to remain on the correct development path.

II. Goals

Base on the situation discussed above and on the party platform, it is essential that we firmly uphold the two strategic duties of building socialism and protecting the fatherland, accelerating industrialization and modernization.

The objective of the industrialization and modernization process is to build our country into a industrialized nation with modern material facilities, a logical economic structure, advanced production relations, knowledgeable production forces, an improved livelihood for the people as well as better cultural activities, strong national defense and security, a prosperous people, a strong country, an equitable and advanced society, and a successful track record in implementing socialism.

From now until the year 2020, we must strive to make our country an industrialized one.

At that time, production forces should then be at a relatively modern level and most manual labor work should be replaced by machinery. The electricity network will cover the whole country. Labor capacity and production and business efficiency should be much higher than at present. The GDP will increase eight to 10 fold compared with that of 1990. In the economic structure though, agriculture will continue to develop strongly, industry and services will take major proportions in the GDP and in social labor market.

Natural sciences and technology sectors should be quickly perceptive to new progresses of the scientific and technological revolutions. Social and human sciences should have the ability to create new foundation for the new social conceptions. Scientific progresses should be up to the level where they can serve as the base for the planning of development policies, strategies, and master plans.

Regarding production relations, our various ownership types should be closely coordinated with the management structure and distribution system in order to fully mobilize all resources into a dynamic momentum that works for economic growth and social equity.

The state economic sector will have to fulfill its leading role and, with the cooperative economic sector, become the foundation of the economy. Economic sectors comprising individuals, handicraft and small businesses, and private capital businesses will be proportionally more significant in the economy. The state capitalist economic sector will develop strongly under various forms.

Regarding material and cultural life, our people will enjoy a prosperous life, comfortable residences, and other conveniences in transportation, education, and medical treatment, as well as a high level of cultural enjoyment. Healthy social relations, civilized lifestyles, and the development of the fine traditions of the country will be encouraged.

The successful fulfillment of these objectives will constitute a giant step on the path to socialism for our country.

The period from now until the year 2000 is a very important step in the new development period of the acceleration of industrialization and modernization. The duties of our people are to mobilize all forces, seize all opportunities, overcome all obstacles, accelerate the renovation undertaking comprehensively and uniformly, and continue the development of the multisectorial merchandise economy under the market-driven principles with the regulation of the state in the direction of socialism. We must strive to reach and exceed the targets of the socioeconomic development strategy to the year 2000. Rapid economic growth coupled with effective handling of urgent social issues, firm national defense and security protection, improved livelihood, and high domestic economic reserves will create solid premises for higher development in the early years of the 21st century.

By the year 2000, our GDP per capita will double that of 1990. The GDP annual growth rate will be at 9-10 percent during the period; agro-forestry-fishery production will develop at 4.5-5 percent; industry 14-15 percent; services 12-13 percent; and exports 28 percent. The investment/GDP proportion will be about 30 percent. In year 2000, agriculture will take 19-20 percent, industry and construction 34-35 percent, and services 45-46 percent of the GDP.

— It is important to develop our potential in science and technology. In the first period we must carry out a wise selection of appropriate technologies. We must import them and master them well to prepare for the higher development level at a later stage. The annual rate of technology renewal should be at 10 percent or higher.

— Organization, management, and efficiency in state-owned business sectors should be renovated and heightened. Cooperative economic establishments should be developed with a wide variety and at different levels. Joint ventures between state enterprises, or between state enterprises and cooperatives, private enterprises, individuals, and foreign companies should be developed.

— Efforts should be made to ensure there are more jobs than members of the labor force each year. Unemployment should be reduced, and the campaign to eliminate hunger and reduce poverty should continue. All demands related to food, housing, medical treatment, and transport should be satisfied in line with an improvement in enjoyment of cultural services, especially for people in rural and mountainous areas. By the year 2000, the population growth should be brought under 1.8 percent. Serious malnutrition in children under five should be wiped out, illiteracy among the 15-35 age group should be eliminated, and primary education should be made compulsory. Environmental pollution should be checked, and social vices should be suppressed.

— Political stability and socialist orientation should be firmly maintained during the development process. Fundamental changes to better the renovation and rectification, as well as heighten the leadership role of the party should be implemented. The construction and perfection processes of the state apparatus should be continued with the core task being the administrative reform program, which aims to heighten the effectiveness and operational efficiency of state agencies. Democracy will be expanded; social disciplines, order, and safety will be ensured. The great national unity bloc will be strengthened.

National defense and security will be firmly safeguarded.

External relations will be expanded and participation in international and regional organizations will be developed so as to elevate our position in the world community.

Part Three: Development Orientations For Key Domains

I. Developing and Effecting Changes in Economic Structures in Line With Industrialization and Modernization

Efforts must be made to thoroughly understand the following points concerning industrialization and modernization:

— Industrialization and modernization should follow the socialist direction.

— Independence and sovereignty should be firmly safeguarded concurrently with the expansion of international cooperation, multilateralization, and diversification of foreign relations. Domestic resources will play the major role while efforts will be made to maximize the mobilization of foreign resources. We will strive to build an open economy, integrate into the region and the world, and expand exports while replacing imports with products that are effectively produced domestically.

— Industrialization and modernization is an undertaking by all the people and by all economic components, in which the state economy plays the major role.

— We must take the development of human resources as a fundamental factor for rapid and lasting development in other fields, mobilize people throughout the country to practice thrift and build the nation, and increase accumulation for developing investment. Efforts to increase economic growth must be combined with those to improve the people's livelihood, develop culture and education, ensure social progress and justice, and protect the environment.

— Science and technology are the foundation of industrialization and modernization. It is essential to combine traditional and modern technologies, while striving to apply modern technologies to various decisive areas.

— We must use socioeconomic achievement as a basic standard for determining development programs and selecting industrial investment projects. In-depth investment must be made to optimally exploit the existing production capabilities. In the new development program, we should give preferential treatment to medium- and small-scale modern industries that can quickly create jobs and recover capital, while striving to build a number of very essential and effective large-scale projects. We must create key points for each stage of development, appropriately integrate sources of energy for various domains and key areas, and strive to meet the essential requirements of all regions in the country. We should formulate policy to assist areas with difficulties, create conditions for all areas to develop simultaneously.

— Economic tasks should be combined with those of national defense and security.

The fundamental contents of industrialization and modernization for the remaining years of the 1990's are:

Special attention should be paid to: industrializing and modernizing the agriculture and rural economy; comprehensively developing the agro-forestry-fishery sector in close association with agricultural, forestry, and maritime product processing; and developing the consumer and export goods industries.

Efforts must be made to upgrade, develop, expand, and rebuild various economic infrastructures in pivotal areas, especially in the jammed and weakest zones that create a blockage to development. It is necessary to build a number of selected heavy industrial establishments of various key branches that are in urgent demand, that have acquired capital, technology, and markets, and that can develop quickly to achieve great economic results. Trading, tourism, and service, as well as external economic activities, should be expanded. Efforts should be made to gradually establish a number of key sectors, such as agro-forestry-fishery products processing, oil and gas exploitation and processing, engineering manufacturing, and electronic, communications, and tourist industries. We must strive to vigorously develop education, training, science, and technology.

1. Carrying out industrialization and modernization of agriculture and the countryside:

— We must vigorously and comprehensively develop the agro- forestry-fishery sector; improve concentrated crop specialization areas which, with a rational structure of crops and animals, can turn out large quantities of commodities of good quality and can ensure secured grain supply to the people; and meet the demands of the processing industry, and of local and foreign markets.

— We must carry out farmland irrigation, electrification, mechanization, and biotechnological work.

— We must develop the agro-forestry-marine product processing industries with better-than-ever technology. This should be based on the available raw materials and carried out in coordination with other urban industries.

— We must develop existing trade, traditional village arts, and other areas that cover artisan industry and handicraft; commodities and exports manufacturing industries, industries that involve exploiting and processing of non-agricultural products; and various forms of services in support of the people's production and life.

— We must build a socioeconomic structure and gradually build a new, civilized, and modern countryside.

— We must basically complete the delivery of land and forests to peasant households for management; adjust the distribution of capital, mobilize more sources of capital for agro-forestry-fishery and rural economic development; formulate policies to encourage and assist peasants in building the infrastructure, acquire technological transfers, and resolve difficulties in terms of capital, prices for agricultural materials and products, and markets for product sales.

2. Industrial development:

Priority must be given to developing those industries that specialize in processing grain and foodstuffs, manufacturing commodities and exports; as well as the electronics industry and the information industry. We must selectively develop a number of heavy-industry establishments (energy, fuel, building materials, manufacturing machinery, shipbuilding and ship repair, metallurgy, and chemistry) to ensure that production output is increased in proportion to the demands of economic growth, and that the capacity to be independent and economically self-supporting in terms of national defense is improved.

We must link economic construction to national defense. We must build and develop the defense industry in order to meet the minimum requirements needed for each given period.

Infrastructure and technologies of the existing industrial zones need to improve. New industrial zones will be built evenly in various regions.

3. Infrastructure construction:

Efforts should be made to overcome the degradation of the existing road network; restore, upgrade, and open more main communications lines; combine road transport with river marine transportation; and open more roads leading to inaccessible and remote areas. We will restore and upgrade a number of river and sea ports, and airports, as well as construct deep sea ports. We must continue to develop and modernize the national communications and liaison network and bring telephone lines to most of the villages.

We must develop power sources and the power grid to meet the requirements for a stable power supply. We must also improve the water supply in urban areas and the clean water sources in the countryside.

We must increase investment in the infrastructure — including education, public health, science, culture, information, and sports.

4. We must promptly develop tourism, and services such as air and maritime transportation, post and telecommunications, trade, transportation, finance, banking, auditing, insurance, technology, legal, information, and other services that support the people's livelihood.

We must gradually turn our country into a tourist, commercial, and service center for the region.

5. We must rationally develop various areas:

We must effect changes in the territorial economic structure on the basis of thoroughly exploiting the advantages and potential of all regions and promoting an integrated and mutual-support system between various regions, in an attempt to help all regions flourish.

We must make the necessary investment in cities and in key economic zones in order to spur the development of the entire economy.

If we are to progress and gradually reduce the large socioeconomic development gap between regions, we must reserve the appropriate resources to tackle our urgent needs, particularly those of our socioeconomic infrastructure. This way those less-developed areas — especially the high mountain areas, offshore islands, areas inhabited by ethnic minority compatriots, inaccessible areas and former revolutionary base areas — can experience visible positive changes. We must regard this as a main guideline for various sectors and echelons. Specific attention must be given to linking marine economic development with the maintenance of national security and defense.

Our cities should develop in a logical manner so as to avoid the creation of mega-cities. The tasks of municipal planning and management should be strengthened.

6. Expand and improve efficiency of external economic relations:

We must increase exports and regard exports as one of our priorities. It is a key point of external economic relations. We must create more major export products, improve the competitiveness of our exports in the market, reduce the export of raw or semi- processed products, increase the export of fully and finely- processed products, promptly accelerate the export of services, increase the value-added proportion of export value, and gradually reduce import deficits as well as give priority to imports that serve the production of exported goods and limiting non-essential consumer goods. Reasonable policies to protect domestic production should be applied.

We must readjust our market structure so as to achieve regional and global integration. We must properly address the issue of interests between us and our partners.

We must take the initiative in joining the international trade community, as well as various international forums, organizations, and institutions, in a selective fashion, taking the appropriate steps.

Loans and foreign direct capital investment must be used in accordance with sectoral and regional development programs and plans to fulfill the intended goals and duties.

We must carefully plan how to secure our loans and service our debts so as to use loans effectively and to repay our debts. We must strive to improve our balance of payments and increase our foreign reserves. We must clearly define and ensure the implementation of the duties and rights between the foreign debt management organ on one the side and loan seekers and loan users on the other. We must conduct studies before investing in foreign countries.

II. Policies on Economic Elements

Firmly uphold socialist orientations while developing the multisectorial economy:

— We must follow the consistent and long-term policy of developing the multisectorial merchandise economy. We will use the liberated production forces to mobilize to the maximum level all domestic and foreign resources for industrialization and modernization and to heighten socioeconomic efficiency. Improvement of the people's livelihood is one of the leading goals of the policy to encourage development of different economic elements and diversify business and production organizations.

— We must actively reform, develop, and heighten the efficiency of the state and cooperative economic sectors. The state sector should play the leading role, and together with cooperative sectors should become the foundation of the economy. Favorable economic and legal conditions will be created so that private businessmen will feel secure of their long-term investments and businesses. Various types of joint ventures between the state and private sectors inside the country and abroad will be expanded. A variety of state capitalist activities will be conducted.

— We must assert, consolidate, and heighten the right to mastery of laborers in the social production system. Improvement of social equity will become continuous.

— We must use different forms of distribution, with labor productivity and economic efficiency as the central ones. Other distribution methods include distribution based on contributions to alternate sources of production and business efficiency, and the distribution of social benefits. We acknowledge the long-term existence of various forms of hiring labor, but the relationship should not become one of the domination types which divides the society into two opposing poles. Reasonable income distribution and redistribution will be implemented; the lawful amassing of wealth in parallel with efforts to eradicate hunger and reduce poverty will be encouraged, so as to prevent excessive disparities between living standards and development levels between regions and people of various strata.

— Efficiency in macro management of the state, especially in limiting, rectifying, and holding off the adverse effects of the market mechanism must be strengthened. Equality in rights and responsibilities before the law of all businesses and individuals must be guaranteed regardless of the economic sector they belong to.

— We must safeguard national independence and sovereignty, and protect national interests in external economic relations.

The following policies and measures on different economic sectors will be applied:

1. To continue to renovate and consolidate the state sector so that it can fulfill its leadership role and provide leverage for development and the rectification of social problems. The state sector should lead, guide, and support other economic elements in their development. It should also serve as the physical force for the state to exercise management, and as the foundation for the new social regime. It will focus resources for the development of the state sector in major areas such as socioeconomic infrastructure, the financial and monetary system, banking, insurance, and important production, trade, and service activities, as well in businesses related to national defense and security. State enterprises in general are middle- and large-sized establishments with modern technologies and the ability to attract large revenue for the state budget.

The rate of profit made from capital will be the major criteria for evaluating the efficiency of enterprises. The results of social policies will be used as the major criteria to measure the efficiency of public interest enterprises.

We will have to renovate and strengthen state economic activities in distribution and circulation; develop the central role of state sector in economics, science, technology, and culture, in the agro- forestry-fishery industries, especially in mountain and remote areas, islands, and ethnic minority areas.

We will review the development of a steady plan for the equitization of state enterprises for the purposes of capital mobilization, the improvement of business efficiency, accumulation of state assets, and not for the purpose of privatization. In addition to 100-percent state-owned enterprises, there will be enterprises which the state has a majority or controlling share. We will increase our shareholdings or sell shares to laborers in enterprises or organizations and outside individuals, according to the conditions of each particular case. The money mobilized from the sale must be used to expand production and business operations.

To work out a proper formula for general corporations to avoid the segmentation of forces and industrial monopolies.

2. Cooperative economic activity, with the core sector being the cooperatives, is a form of voluntary cooperation between laborers. It combines collective capacity with that of individuals to deal with production, business, and livelihood demands at a higher efficiency.

Cooperatives should be diversified in type and level from the production team to cooperatives. They should be built on the principles of voluntarism, equality, mutual benefit, and democratic management.

Cooperatives are established by shares that are contributed by members who receive benefits. These are then calculated on the basis of the shares or labor they contribute. All cooperative members have equal rights in the management of cooperatives.

We will strengthen the leadership and guidance, as well as provide encouragement and assistance policies for the development of cooperatives. The law on cooperatives should be fully enforced.

3. The state capitalist economy includes all forms of joint ventures between the state economy and local or foreign capitalists. The state capitalist economy plays an important role in the mobilization of the great potential of capital, technology, and management skills of all capitalists in the interest of the capitalists themselves, as well as for the socialist construction undertaking. It is necessary to apply different methods of joint capital sharing between the state and local businessmen in order to create a good position for Vietnamese business to expand and increase its cooperation competitive powers in the outside world.

The investment environment and management competence will be improved so as to attract more foreign investment and to improve its effectiveness. Lawful rights and entitlements of laborers in cooperative and joint venture enterprises should be properly protected.

4. Individual and small handicraft sectors are important components of the economy. Individual and handicraft sectors should be given assistance to solve difficulties related to capital, science and technology, and consumer market. They should also be encouraged to develop themselves gradually into cooperative economic activities, either by being satellite enterprises for state enterprises, or becoming cooperatives.

5. Private capitalists have the ability to contribute to the national construction undertaking. They should be encouraged to feel secure when investing in production with long-term commitments. Their rights of possession and legitimate interests are protected. Favorable conditions will be created for all businesses. Business management and guidance will be strengthened to help all businesses operate within the law and to serve the national economy.

III. Continuing To Renovate the Economic Management Structure

From the reality of over the past 10 years, it is possible to confirm some important conceptions of the new economic management structure:

— Commodity production is not contradictory to socialism, it is a progressive period of civilization for mankind. It exists objectively, and is necessary for the undertaking of socialist construction.

— In our multi-sectorial economy, the market under socialist direction is a united body with different forces participating in production and circulation, while the state economy plays a leading role. The local market is attached to the international market.

— The market is both a base and a subject of the planning. Planning mainly assumes a directional characteristic. The market plays the role of providing direct guidance for economic units to choose the field of operation in business planning.

— Making use of the market structure is linked to fuller development of the directional function and macro management of socioeconomic activities to ensure the rapid and stable development of the economy. Making use of the market structure requires the enhancement of the state's management capacity and the full recognition of the independence of all economic units. This is in order to develop the great and positive effects and to prevent, limit, and overcome the negative aspects of the market. The state manages the market with laws, planning, structures, policies, economic leverage instruments, and the material force of the state economy.

From now until the year 2000, the program on renovating the economic management structure must be implemented with the goal of eliminating the management system of centralism, bureaucracy, and subsidy and to set up a relatively uniform market structure with the state management under socialist direction.

1. The uniform establishment of market factors:

— The commodity and service market must continue to develop and expand to circulate goods throughout the entire country. The market for technologies and information, consultant, marketing, legal, financial, banking, auditing, insurance, and guaranty services are to be strongly developed.

The situation of illegal and tax-elusive trading activities must be rectified, and legal violations in business will be checked, controlled, and dealt with strictly. Healthy competition must be linked to the acceleration of cooperation. The state monopoly will be implemented in certain sectors and fields for national interests. Business monopolies will be limited. The exploitation of monopolies to maintain privileges and special benefits and to manipulate the market is unacceptable.

Activities of trading organizations in all economic sectors will be corrected. The state trading system will be reformed in order to take the leading role in this field. The rural market will be given special attention.

— The labor market will be satisfactorily organized to ensure proper enforcement of labor hiring and utilization.

Employment for all our citizens is our first target. Unemployment must not be allowed to become a chronic illness. The government will concentrate on investment to generate more jobs. At the same time, it will create favorable conditions for all economic sectors and the working people in order to create more jobs. All organizations and individuals are encouraged to work with the government in organizing the employment service and vocational training.

With regard to personnel recruitment, workers and employers are equal before the law. The state should, with the participation of trade unions, social groups, and labor organizations, check and control the hiring, use of, and payment for labor, as well as improve working conditions, ensure the implementation of regulations on labor protection and safety and the fine relationship between workers and their employers, and protect the legitimate interests of the working people.

Continued efforts must be made to improve the remuneration policy in the state sector. Plans must be worked out to direct and regulate wages and income in the entire society and to apply the social security system to workers of all economic sectors.

— Close management of the land and housing market.

Land belongs to the entire people and henceforth, not be privatized. The trading of land is not allowed. The Law on Land must be strictly observed. Steps must be taken to supplement and perfect the legal system and policy on land. The correct value of various types of land must be established in granting land use certificates or in land lease so as to guarantee efficient land use. Efforts must be made to preserve and develop the land fund and to secure the interests of the entire people. Steps must be taken to overcome all indications of negativism and shortcomings in land use and management, as well as to fight against land speculation.

It is necessary to satisfactorily organize and manage the housing market. Plans must be worked out to provide housing for the people, especially those living in urban areas. Measures must be taken to expand the network of state housing construction and trading enterprises. It is necessary to encourage the various economic sectors to participate in housing construction and trading under the direction and management of the state.

— Steps must be taken to build and set up the stock market step by step.

It is necessary to develop the stock market to attract mid- and long-term deposits with banks and financial companies to grant loans in support of investment and development projects.

Necessary steps must be taken to ensure the gradual building of the stock market based on Vietnamese conditions and socioeconomic development orientations.

2. Perfecting the economic legal system:

It is necessary to promulgate a number of new laws and amend or supplement a number of existing laws and regulations to institutionalize the party's platform, strategy, and policies and formulate uniform legal frameworks for economic activities.

3. Continuing the renovation of planning work:

State planning must thoroughly conform to the party's line and policies to: introduce a system of macromanagement goals; define the pace of development, structure, and major balances; and choose the best solutions and financial policies to ensure the economy is moving as planned.

Concentrated efforts must be made to formulate a development strategy and plan major projects for the entire country and for each sector, locality, and field of activities. A gradual shift to five-year plans with yearly increments should be preferred over the formulation and approval of yearly plans.

Planning work must take into consideration all branches, localities, and economic sectors.

4. Renovating financial, monetary, and pricing policies:

— The financial policy must aim at stimulating production, mobilizing and making effective use of all resources, increasing savings for development investment, meeting truly necessary and urgent regular spending needs, guaranteeing uniform national financial management, reducing budget overdraft, and contributing toward inflation control. It is necessary to correctly handle the issues relating to savings and consumption; state finance, business finance, and personal finance; central budgets and local budgets; regular expenditures and spending on development investment and on national security and defense; mobilization of domestic and foreign capital; loans and debt payment...

To generate capital for development investment, we must adopt a basic and long-term solution based on efforts to do business efficiently, boost the economy, and practice thrift in the state sector, production and business organizations, and the people. Drastic measures must be taken to encourage savings and investment, as well as diversify methods of capital mobilization.

We should employ farsighted concepts while working out collection plans and should take into consideration immediate pressing spending needs while at the same time attaching importance to the expansion of long-term revenue collection sources. It is necessary to carry out a tax reform program based on simplicity, fairness, and encouragement of lawful business activities. We should ensure reasonable proportions of contributions toward the state budget and create conditions for business organizations to accumulate capital for development investment purposes. It is necessary to adopt a better tax incentive policy toward development investment projects and toward localities with many difficulties.

All regulations on accounting, auditing, and financial control and inspection should be strictly observed.

— Monetary and banking policies should be reviewed to make them suitable for the market mechanism. The stabilization of the Vietnamese currency should receive proper attention in order to maintain a low rate of inflation and reasonable exchange rates. Efficiency in capital mobilization and loan management should be strengthened. The Central State Bank has the main responsibility to control inflation, stabilize the currency value, and manage foreign currencies and gold.

The system of people's credit funds should be properly organized. Activities of commercial banks and branches of foreign banks should be closely supervised. Measures should be applied to reduce interest rates gradually to encourage development investment.

We should have a reasonable foreign exchange and foreign currency management policy in order to boost exports while regulating imports, and to give full monetary exchange value to the Vietnamese dong, which should be the only means for transaction in the country.

— Efforts to perfect the price system and renovate price management task should be continued.

National reserves should be consolidated, and the mechanisms of reserve and distribution, as well as price stabilization funds, should be renovated in order to stabilize prices of the essential commodities.

5. To heighten the capacity and efficacy of the state in economic management:

The state has a role in guiding development and investing directly in certain fields to lead the development. The state sets up a uniform legal structure and suitable policies for the development of the economy and for the profitable operation of all economic sectors. The state also works to limit the negative effects of market mechanism, reorganize state enterprises, manage public assets, and control all social distribution work.

The role of state economic management and of owners of public state assets, should be exercised justly. Ministries and administrations at all levels should not interfere in business management and independent accountability of enterprises.

IV. Development of Science and Technology, Education and Training

1. Science and technology: Our country's scientific and technological activities in the upcoming period will have to focus on the following orientations:

— Creatively apply and develop Marxism-Leninism and the Ho Chi Minh ideology; develop and combine the social sciences and humanities, as well as natural sciences and technologies, as a scientific base for the implementation of the political platform and the Constitution, and the formulation of laws and socioeconomic policies, plans, and programs.

— Step-up research projects that apply the results of natural sciences and modern technologies to all sectors of production, business, services, management, and national defense and security.

Acquire high technology, such as communication, biology, new material technologies, and new motor manufacturing technologies, in order to implement the modernization program in key domains at an early date.

Correctly evaluate all sources of natural resources and use those results to develop an adequate strategy for exploiting, using, and preserving natural resources; secure scientific and technological bases to exploit — reasonably and economically — the use of natural resources; protect the ecological environment. Use modern technology to control, evaluate, and cope with the effects of the environment, giving first priority to technology that guarantees a clean environment and requires fewer raw materials and less fuel; and work out scientific methods and adopt technological measures to reduce the consequences of natural disasters.

— Pay attention to basic research on social sciences and the humanities and natural sciences, and use the results as a sustainable mainstay for research projects that are targeted at the application, development, and absorption of newly emerging sciences.

— Have the potential to catch up with modern science and technology. Strive to find ways of training the science staff at home and abroad; training leading staff in all branches should be treated as an urgent task. The existing contingent of cadres should be utilized wisely; more young cadres should enter research institutes and universities. The scientific and technological forces should be set up in a way to ensure that science and technology will be attached to education and training, while research will be attached to production and services.

Physical and technical facilities of the science and technology establishments should be improved. Establishment of modern laboratories for universities and research institutes should be accelerated. The technical services' network, such as measurement, standards classification, technological evaluation, science and technology information should be upgraded.

— Systematically build and implement a uniform policy and mechanism to promote science and technology. As practical objectives, efforts must be made to:

Encourage research and creativity in studying; highlight the social responsibilities of members of the science and technology contingent; create a market for scientific and technological activities; control imported technologies; encourage business establishments, especially the major state businesses, to improve technology and attract more researchers to their establishments.

We need a policy to take care of working conditions, and material and psychological benefits for scientific and technological researchers, inventors, and designers. We should protect intellectual property rights, give preferential treatment to talented persons who yield important contributions both in and out of the country, encourage more scientific cadres to work in remote and out-of-the-way regions, and prevent the situation of "bleeding of gray substance."

We will diversify the sources of capital investment in scientific and technological activities and establish credit funds and scientific and technological development investment banks. Budget allocations for science and technology will be increased.

Efforts will be made to inspire patriotism in the people. Efforts will also be made to develop the Vietnamese people's intellectual capacity in order to bring the country out of poverty and backwardness by using science and technology.

2. Education and training:

Education and training are the key national policy aimed to improve the people's intellectual standard, train personnel, and foster people of talent. Equal importance must be given to quantity, quality, and efficiency. The goal for the education and training sector over the next five years is to develop the manpower to meet the demands of industrialization and the modernization process, and to ensure that all people, especially young people, are employed. We should correct all negative indications and weaknesses in education and training.

By the year 2000, the majority of five-year-olds will enjoy the benefit of preschool education; illiteracy among the 15-35 age group will be wiped out, and illiteracy will be reduced among other age groups. Steps must be taken to make primary education compulsory throughout the country, beginning with children aged 6- 14. Steps will also be taken to standardize junior and secondary education in major cities, and certain industrial centers. The state will work out policies to guarantee learning opportunities for children of entitled families and poor households, as well as strong support for outstanding students. Wide-scale campaigns will be organized to mobilize the people to wipe out illiteracy and raise the standard of education.

The network of specialized and accelerated schools at all levels should be organized. Training in foreign languages and computer skills should begin at the general school level. More general boarding schools will be open for disadvantaged areas, such as areas of minority ethnic people. Family education is highly valued.

Efforts must be made to improve the vocational and college education system, combine training with research in order to train personnel who are capable of acquiring advanced and modern technology; develop post-graduate education; consolidate and heighten the quality of general education; develop various forms of distant education; and expand the network of occupational training schools. While concentrating our efforts in building the public school system, we should establish policies to assist, guide, and manage the semi-public, charitable, or private schools and classes. Vocational training in the workplace will be encouraged. Post graduate education will be developed, including graduate and post- graduate training overseas, or at international centers in the country. Self-supported overseas study will be encouraged. The relationship between training and employment should be handled more effectively. We should build a contingent of intellectuals who have a solid knowledge of science and technology, culture, art, and economic and social management. We should quickly form a contingent of qualified public servants and state employees with a view to raising the efficiency of the administrative system at all levels; train a pool of capable enterprise managers; increase trained labor from the current 10 percent to 22-25 percent; raise the educational and professional standards of women; and consolidate the contingent of women cadres.

Education goals, structures, contents, and programs will be further defined. Education methods will be renovated. Fundamental and modern education contents will be selected. All citizens will be educated on world views, science, and patriotism to nurture aspirations and willpower for individual advancement and national contribution. The education on Marxist-Leninism, Ho Chi Minh thought, human studies, and national cultural characteristics will be provided to everyone. Advanced methods and modern facilities will be introduced gradually in the training programs. Movement of self-education and training will be carried out in a widespread and regular manner. Negative actions conducted in teaching, studying, and examinations, as well as in issuing degrees and certificates, should be checked and handled severely.

The contingent of teachers and educational management cadres will be well-trained and nurtured. Teachers will be hired and paid in accordance with their ability, under the spirit that teachers will be given special privileges.

Reforms in education should be reviewed regularly. Desirable education and training strategies for the period of industrialization and modernization should be worked out, while the legal stipulations and government policies on education should be improved. We also need to strengthen the state management role on all establishments of education and training.

The budget for education and training will be gradually increased. Resources from all communities and the public, including from businessmen at home and abroad, will be mobilized to help support education and training. International cooperation in education and training will be accelerated.

All party committees, local authorities, mass organizations, and businesses will develop more responsibility for education and training.

V. Building a Advanced Culture With National Characteristics

Culture is the foundation of society, and also the momentum needed to boost socioeconomic development.

All current and future cultural and literary activities must build and develop our modern culture with national characteristics, contribute to the building of ideology, morality, spirit, sentiment, and a lifestyle for the Vietnamese people in a healthy cultural environment and developed society.

It is necessary to inherit and develop spiritual, moral, and aesthetic values and national cultural and artistic heritages. Steps must be taken to preserve and restore historical and cultural relics and places of scenic beauty of the nation. Under the conditions of the market-oriented economy and the expansion of external relations, we should give special attention to preserving and upholding our national culture and should inherit and develop our fine national traditions, customs, and pride. It is necessary to absorb the quintessence of other nations in order to enrich the Vietnamese culture. We should fight against the invasion of poisonous and harmful cultures as well as against the tendency to worship alien cultures. Steps must be taken to overcome the psychology of worshipping money, disregarding morality, and belittling humanity values.

It is necessary to consolidate grass-roots cultural networks and satisfactorily manage cultural and artistic activities. All special characteristics of ethnic culture and arts in our country should be exploited and developed in order to create unity in the diverseness and abundance of our Vietnamese culture.

Concerted efforts must be made to promote and satisfactorily manage the networks of information, press, publication, radio, television, and cinematography, as well as other forms of artistic activities. We should enhance the cultural knowledge and taste of our people in all parts of the country. It is necessary to guide the public on how to adopt a modern and culturally fit lifestyle. Measures must be taken to get rid of bad practices and superstitions.

It is necessary to guarantee democracy and freedom for creative work and other cultural activities. Steps must be taken to foster people of talent and uphold the sense of responsibility of writers and artists toward the people, nation, and the times. We should encourage and create conditions for cultural and artistic works to reflect new developments in society and promote good things among the people. The fine relationship between the people and society and nature should be encouraged. Wrongdoers, bad elements, and wicked people must be criticized and condemned so everyone can appreciate the true, the good, and the beautiful. Timely measures must be taken to disseminate fine works and make the effect of cultural elements and the spirit of human compassion felt in all aspects of social life, ranging from the relations within the family, school, and society to production operations, business activities, public relations....

Families must be built into prosperous, equitable, progressive, and happy units that serve as truly healthy cells of society and cozy nests for everyone. It is necessary to uphold the sense of responsibility of the family toward the preservation of national cultural values for future generations. The Law on Marriage and the Family must be strictly implemented.

We should promote public awareness of good people and good deeds and establish a system of new social values and standards to conform with our national traditions and characteristics and the requirements of the times.

Cultural building is a common duty for society as a whole. It is necessary to make adequate investment in culture and the arts and promote cultural and artistic activities of the state, collectives, and individuals under the party's line and the state's management.

VI. Policies Toward a Number of Social Problems

The system of social policies is based on the following perceptions:

— Economic growth must be linked with social progress and social justice at every step, as well as in the whole development process. Social justice must be reflected in all stages of the distribution of both production means and production output, as well as in the creation of favorable conditions for everyone to develop and make good use of their abilities.

— Distribution must be implemented in various forms, with the distribution methods based on labor productivity and economic efficiency as the basic ones. Other distribution methods include those that are based on contributions of other production sources toward production and business outcomes, and the distribution of social benefits. Reasonable regulatory policies must be implemented in parallel with these distribution policies to protect the interests of the working people.

— Everyone is encouraged to get rich legally and make positive efforts to eliminate hunger and reduce poverty. Steps must be taken to gradually minimize gaps in development and living standards between regions, ethnic groups, and sections of the population.

— Everyone is encouraged to promote the fine national traditions of showing gratitude, human compassion, and loyalty.

— The implementation of social policies is based on the willingness of all members of society to share the burden. The state assumes a key role, while at the same time encouraging all citizens, business establishments, social groups, and foreign nationals or organizations to resolve social problems.

In the years ahead, efforts should be focused on the following social problems:

— Concentrating efforts on creating employment.

The most important direction is for the state to work with the people to strive for higher development investment and good implementation of socioeconomic programs. All economic sectors, citizens, and households are encouraged to invest in developing trades and professions, thus creating more jobs for the working people. All citizens are free to practice their trade and to hire workers in accordance with the law. Efforts must be made to develop employment services, carry on population and labor redistribution programs on a nationwide basis, and increase the population of localities with strategic economic or national defense importance. Steps must be taken to broaden external economic relations and accelerate labor export programs. Measures must be taken to significantly reduce unemployment rates in urban areas and job shortages in rural areas.

— Efforts to eliminate hunger, reduce poverty, show gratitude to entitlement families, provide social security, and organize charity work and humanitarian activities.

It is necessary to satisfactorily implement the policy on hunger elimination and poverty reduction, especially in localities that are former revolutionary bases and areas with minority ethnic groups. Funds to eliminate hunger and reduce poverty should be drawn from domestic and foreign sources and should be closely managed to ensure that they reach the right beneficiaries and yield effective results.

It is necessary to see that social lives in each locality are organized in such a way that the people's living standards are ameliorated, even if per capita earning are still low. We should strive to ensure more villages have electricity, roads, schools, dispensaries, safe water....

We should effectively enforce the decree that ensures treatment for those who have made meritorious contributions. We should ensure that people who have made meritorious contributions to the country and the revolution have living standards that are at least equal to those of others in their own localities. Children of people with meritorious contributions should be assisted so as to have similar conditions as their seniors. The movement to show gratitude to and care for war invalids and the families of war martyrs should be expanded.

Social benefit policies should be continued and perfected. Livelihood for retired people should be guaranteed. The social security law should be strengthened and continually improved.

Humanitarian and charity activities will be boosted. Policies should be worked out to support children who are orphans, and, in difficult circumstances, isolated elderly people, war victims, and disabled people. A charity fund will be set up with contributions partly from the state budget and the remainder from all elements of the society. A law to support disabled persons and orphaned children will be created. Victims of natural disasters and other misfortunes should be supported.

— Care and protect the people's health, improve the people's physical conditions:

By the year 2000 we should strive to reduce malnutrition and the rate of disease, rectify the consequences of war related to health, improve the basic standard of people's health — especially that of mothers and children — prolong longevity, and reduce the death rate.

The state public health system should continue to be developed, especially the networks of medical facilities in villages and districts. The health care services network will be expanded and diversified, while their quality and efficiency will be heightened. Hospital management will be renovated and strengthened, and the medical examination and treatment system will be capable of responding to the burgeoning and diversifying demands of the people. Medical examination and treatment should be given free of charge to families who are social benefit recipients and to poor people. State investment in public health, as well as funds from other sources, will be increased, including the development of health insurance and international cooperation, which will be sought for the public health sector. The state encourages and strives to manage preventive health care activities provided by organizations and individuals. The state also encourages traditional medicine studies in order to combine traditional with modern medical approaches. The state encourages establishing a policy to control the production of pharmaceutical products and medical equipment for domestic use as well as for export. The state will instigate effective policies to attract more medical personnel, especially for disadvantaged and remote localities. Efforts should be made to prevent the quality deterioration of medical facilities and services, including the quality of equipment and services and the attitude of the staff. The management of the collection and use of medical fees should be rectified in order to avoid negativity in medical and pharmaceutical activities. Medical ethics should be promoted in the spirit of the motto: "A good doctor is like a tender mother."

Preventive medical care should be developed and efforts should be made to widely promote the practices of environmental and food hygiene as well as provision of clean water.

Sports and physical exercise activities should be upgraded to the national level, beginning with the youth and students. Physical education in schools, defense reserved forces, and armed forces should be heightened in both quality and efficiency. International cooperation and exchange in sports and physical activity should be expanded. The establishment of a professional force in sports should be pursued in due time.

— Population and family planning work should be intensified:

The organization of the population and family planning structure needs to be consolidated, and the family planning services network should be developed at the grassroots level, especially in rural and mountain areas. Clear indications of positive change should be seen in this decade with each couple having only one or two children. The population growth rate should be brought below 1.8 percent by the year 2000, for the purpose of population stabilization in the first half of next century.

— Suppression of social vices:

The causes of each social vice should be studied in order to find effective measures — including education, economic, administrative, and legal measures — to prevent and suppress gambling, drug abuse, and prostitution.

VII. National Defense and Security

Major national defense and security duties for the years to come are:

The general strength of all people and the political system should be developed. National defense and security potential should be strengthened step-by-step. We should strive to build a steadfast all-people national defense system and all-people national defense tactics combined with people security tactics. The quality of the armed forces should be raised so that they are able to firmly protect national independence and security, sovereignty, and territorial integrity, as well as the people, the party, and the socialist regime. We must effectively prevent and crush all plots and activities of peaceful evolution and subversive violence and be ready to deal with any other complicated situations that could arise. We should strive to halt and punish all criminal activities in order to maintain firmly social order and safety.

In implementing the national defense and security duties in the coming period, we should thoroughly grab hold of the following ideas:

— The two strategic duties of the Vietnamese revolution should be closely combined: Building socialism and protecting the socialist fatherland.

— Economic, national defense, and security activities should be effectively combined.

— National defense and security duties are closely related. They are two interconnected aspects to protecting the fatherland and socialism. National defense, security, and foreign affairs should all be closely coordinated.

— The consolidation of national defense and the maintenance of national security are regular and essential duties of all the people and the state. The general strength of all people and the political system should be developed in order to strengthen our national defense and security potential. The forces of the revolutionary people's army and security should be built with good discipline, professionalism, and modernization. We should strive to build a steadfast all-people national defense system in combination with the all-people national defense tactics. We should be completely familiar with revolutionary ideas of resolute, active, and positive assault, and be ready to defeat all plots and activities against us.

— Perfecting the law on national defense, institutionalizing the party's policies and lines on building an all-people national defense and security system, and intensifying state management of national defense and security.

— Making constant efforts to build the party and intensify its leadership over the army and public security forces, as well as over national defense and security.

VIII. Foreign Policy

Our task in the field of foreign relations for the upcoming period will be as follows:

— To consolidate a peaceful environment and create more favorable international conditions in order to accelerate socioeconomic development, implement national industrialization and modernization, and support the cause of national defense and construction; while at the same time positively contributing to the world people's common struggle for peace, national independence, democracy, and social progress;

— To continue our foreign policy of independence, sovereignty, openness, and diversification and multilateralization of relations in the spirit of Vietnam's desire to make friends with all nations and strive for peace, independence, and development;

— To promote multifaceted bilateral and multilateral cooperation with all countries and international or regional organizations on the principles of respect for each other's independence, sovereignty, and territorial integrity, as well as on the principles of non-interference in each other's internal affairs, equality, mutual benefit, and settlement of outstanding problems and disputes through negotiations.

— To strengthen our relations with neighboring countries and ASEAN member countries, to constantly consolidate our ties with traditional friendly states, and attach importance to our relations with developed countries and politico-economic centers in the world, while at the same time upholding the spirit of solidarity and brotherliness with developing countries in Asia, Africa, and Latin America, and with the Non-Aligned Movement.

— To participate more actively in the activities of the United Nations, Francophone countries, international financial and monetary organizations, the World Trade Organization, and other international organizations.

— To take an active role in the endeavors of international forums and in the settlement of global issues.

— To support the complete ban against nuclear weapons and other weapons of mass destruction.

— To promote relations with communist and workers' parties and other revolutionary, national independence, and progressive forces, as well as broadening our relations with other parties, including ruling parties.

— To broaden external people-to-people relations and ties with non-governmental organizations, to secure the sympathy and support from broad sections of the world's people; and contribute toward the trend of peace, cooperation, and development.

IX. Promoting Great National Unity and Developing the People's Right To Achieve Power

In the new stage of national construction, our people, more than ever before, have conditions for broadening the great national unity bloc with the alliance of the working class, peasantry, and intelligentsia as the foundation. We should rally the great family of the Vietnamese people from all social classes, walks of life, ethnic groups, religious beliefs, and age groups — both at home and abroad. It is necessary to bring into play the strength of the entire nation and the tradition of patriotism and national pride in order to attain the goals of firmly maintaining national independence and unity and of making the people rich, the nation powerful, and of bringing about justice and civilization in society. We should take those goals as a common denominator, while at the same time accepting those differences that are not in line with the nation's common interests, and make joint efforts to overcome prejudices and complexes, look forward to the future, and promote the spirit of great unity, openness, and mutual trust.

In the coming years, we should tap all potential in revolutionary creativeness and develop the people's right to achieve power with a view to successfully implementing the tasks of the 1996-2000 five- year socioeconomic development plan.

— Adopt concrete policies toward people of different social classes and strata and create new motivating forces to stimulate a revolutionary movement among the people.

We should build the working class and make it grow in strength, size, class awareness, educational background, professional skills, and ability to apply and innovate new technologies. The working class should also adopt an industrialized workstyle, uphold a sense of organization and discipline, work with even higher productivity and efficiency, and serve as the core in building the worker-peasantry-intelligentsia alliance and in strengthening the great national unity bloc.

It is necessary to create more jobs, improve working conditions, strengthen work safety procedures, and reduce the number of work- related accidents and occupational diseases. We should organize adequate training and retraining; make continued efforts to review, supplement, and perfect the remuneration policy and other social security policies; and create conditions for workers to hold shares in business establishments. Efforts must be made to accelerate the establishment of party organizations among workers and train and foster cadres originating from the working class.

With regard to the peasantry, it is necessary to implement an adequate policy on land and forest allotment and check and overcome a situation in which peasants do not have land to till. We should help peasants with capital, technical skills, materials' supply, and product marketing. Plans must be worked out to boost processing industries and small industrial and handicraft operations. Efforts must be made to develop rural credit funds and broaden the granting of loans to poor peasants to engage in production. Measures must be taken against usury, pre-harvest purchases of paddy, and illegal land transactions. We should help peasants develop various forms of cooperative economy and we should formulate a production protection policy for peasants.

With regard to the intelligentsia, we should create conditions for them to have access to information and new scientific and cultural advances worldwide so that they can improve their professionalism and political background. We should encourage them to engage in creative work and apply scientific and technological advances. It is necessary to disseminate literary and artistic works of value and discover, foster, and use people of talent and apply a proper remuneration policy toward them. We should make adequate arrangements for the contingent of scientific, cultural, and artistic cadres to implement state research programs and projects and uphold the role of the intelligentsia in forming laws and policies.

With regard to the youth, it is important to strengthen the party's leadership over the Ho Chi Minh Communist Youth Union at all levels and in all sectors. Greater attention should be paid to the education and training of the younger generation on political and ideological ideals, cultural values, professional and moral ethics, and lifestyle. Due importance should be attached to vocational training and job development. It is important to meet the demands of teenagers and children for learning opportunities; creative work; and healthy cultural, artistic, sports, and recreational activities. Conditions should be created for the Youth Union to satisfactorily fulfill its responsibility toward the Ho Chi Minh Vanguard Teenagers and Children's Unit. We should create a healthy environment for society and take precautions against social vices and poisonous cultural materials. It is the responsibility of the party, state, political organizations, families, schools, and society as a whole to educate and train the young generations. We should consider the promulgation of the Law on Youth.

With regard to women, it is necessary to formulate and implement a "development strategy for the advancement of Vietnamese women to the year 2000."

Special efforts must be made to provide vocational training for women so that they can have jobs or engage in the household economy and, henceforth, improve their living conditions. Measures must be taken to protect the health of women and children.

Attention should be paid to party development and the training and improvement of women cadres. It is necessary to increase the percentage of women cadres in charge of leading party and state agencies at all levels and in all sectors.

With regard to private entrepreneurs, we should enact a policy on property and capital protection and encourage them to invest in expansion plans. Favorable conditions should be created for them to do business and satisfactorily fulfill their obligations as required by law.

The ethnicity issue is of major strategic importance. It is important to promote the spirit of "equality, solidarity, and mutual assistance" among the various ethnic groups with a view to serving the goals of national renovation and industrialization and modernization. Plans must be worked out to formulate the Law on Nationalities. From now until the year 2000, positive and firm measures should be taken to realize the three main goals — eliminating hunger, reducing poverty, stabilizing and improving the livelihood and health conditions of ethnic minority people and compatriots living in high-altitude or border areas; eradicating illiteracy, improving the people's intellectual standard, and respecting and promoting the fine cultural values of the various ethnic groups; and setting up political bases and forming a contingent of pure and firm and strong ethnic minority cadres and party members in all localities and at all levels.

With regard to religion, it is necessary to adopt a consistent policy with respect to freedom of religion. Believing or not believing in any one faith is the choice of each citizen. All religions are equal before the law.

Normal religious activities that take place in accordance with the state law are guaranteed. It is prohibited to violate the freedom of religion or to take advantage of religion to act at variance with state laws and policies. It is the state's policy to promote economic, cultural, and social activities and help religious believers eliminate hunger, reduce poverty, improve their living standards, and participate in social activities and charity work.

It is the duty of religious followers and clergymen to fulfill their responsibility toward the Fatherland and "better their religious and mundane life."

With regard to overseas Vietnamese, who form an integral part of the Vietnamese nation, it is our party and state's policy to protect their legitimate interests and help them enhance the sense of community, spirit of mutual assistance, and awareness of the need to preserve cultural values and national traditions. Favorable conditions have been created for overseas Vietnamese to visit their native land and assist their relatives. Conditions are so that they can contribute more and more toward the cause of national construction by participating in economic, scientific, technological, cultural, and artistic cooperation programs with the various sectors and localities in Vietnam.

— Building a practical mechanism to implement the motto "let the people know, discuss, implement, and supervise" the implementation of major policies and lines of the party and state.

Adequate steps must be taken to implement the mechanisms under which the people exercise their right to power through representatives elected by the people's organs or by mass organizations. The people can directly exercise their right of power under various self-management groups or by regulations outlined in the grassroots and in keeping with state law.

The party and state will continue to ensure democracy in the preparation, issuance, and execution of decisions.

— Making continued efforts to revamp the structure and operating procedures of the Fatherland Front and politico-social organizations.

Steps must be taken to broaden the organization and activities of the Fatherland Front, a political alliance of politico-social organizations and representatives of people of all walks of life, social classes, ethnic groups, and religious beliefs who join the front on a voluntary basis. The front and its affiliated organizations serve as a political base of the people's administration and as a venue to mobilize people of all walks of life in the struggle to implement party policies and lines and state law. Together with the party and state, they implement and oversee the process of democratization; look after and protect the legitimate interests of people of all walks of life; defend the party and administration; carry out economic, cultural, social, national defense and security, and diplomatic tasks; and contribute toward strengthening the relationship between the people and the party and state.

The party and state should regularly brief and seek opinion from the Vietnam Fatherland Front on major decisions and policies.

The Confederation of Vietnamese Workers, the Ho Chi Minh Communist Youth Union, the Vietnam Women's

Union, the Peasants Association, and the Veterans Association need to gather all their members under various forms and organizations for public education and motivation. This is so duties can be successfully carried out and the interests of each member looked after. They must also represent their members when taking part in state affairs. They must direct their attention to the grassroots-level in order to develop their organization, strengthen action, socialize activities, train and foster cadres, and overcome the ills of authoritarianism and bureaucracy in their activities. The state needs to promulgate a law on the formation of associations and create the necessary conditions for the operation of various mass organizations.

All cadres and party members must carry out mass mobilization work in accordance with their duty. All party committees must pay attention to the mass mobilization work and to revamping the management of the Vietnam Fatherland Front, mass organizations, and people's associations.

X. Continue To Reform the State Machinery, Build and Perfect the Socialist State of Vietnam

Efforts must be made to thoroughly understand the following points:

— To build the Vietnamese socialist state of the people, by the people, and for the people; to take the alliance of the working class, the peasantry, and intelligentsia and make it the foundation for the leadership of the Communist Party of Vietnam. To fully ensure the people's rights to power, strictly maintain social discipline, exercise dictatorship toward all infringements against the interests of the fatherland and the people.

— The state is unified in its division of responsibilities and coordination of work among state agencies in exercising legislative, administrative, and judicial powers.

— To implement the principle of democratic centralism in the state organization and state activities.

— To strengthen socialist legislation and to build the law- governed state of Vietnam; govern society by law while attaching importance to education and upholding morality.

— To enhance the party leadership role toward the state.

In order to build and perfect a strong, clean, capable, and efficient state machinery, we must satisfactorily carry out the following tasks over the next five years:

Renovate and improve the National Assembly's legislation work and its supreme supervision over the whole operation of the state.

— Regarding legislation: Efforts must be made to promulgate various laws to regulate different spheres of social life. Priority should be given to economic laws, laws on exercising citizens' rights, laws on regulating the reform of state apparatuses, and laws on amending various cultural and information activities. Importance should be attached to summing up the realities of Vietnam; improving the quality of lawmaking; and issuing various legal documents with concrete, comprehensible, and applicable provisions; gradually reduce the number of laws that stop short at general principles, lack definition, and require many written guidelines for its enforcement.

— Regarding control work: Efforts must be made to enhance the quality, authority, and efficacy in the control work of the National Assembly and the People's Councils; clearly define the sphere, content, and mechanism of the control work of the National Assembly and its affiliated committees, and of various echelons of People's Councils. It is also essential to clearly define the differences between the characteristics, function, duty, and authority in the control work of the National Assembly and People's Councils and the control and inspection work of other agencies and organization. While making efforts to ensure citizens' rights in making complaints and criticism, we must study and provide guidance to create conditions for all citizens to detect issues and raise proposals to help ensure success for the control work.

Administrative reform is the key task in building and perfecting the state in the years ahead. Administrative reform should be carried out on the basis of the law and should be conducted harmoniously in the following areas: reform of administrative institutions, improving organization of state apparatuses, and building and enhancing the contingent of administrative officials and functionaries.

— On reform of administration institutions: It is necessary to undertake radical reforms of administrative procedures both in institution and execution, cut down on irrational procedures, reduce inconveniences; and prevent officialdom, corruption, and law violation.

— Regarding the organization of state apparatuses: It is essential to regulate the organizational structure, table of organization, and operational procedures of the administrative mechanism of various levels, making it a pure and neat mechanism that functions effectively and ensures a unified integrated work style from the central government to the local administration at the grassroots level. Efforts must be made to develop the initiative and dynamism of localities; define the role and position of each echelon of the local administration; perfect the local administrative mechanism at the district and grassroots levels to enable them to manage and promptly resolve issues demanded by the people in accordance with their authority.

— On the contingent of cadres and administrative officials: It is necessary to formulate and promulgate legal documents on public service and civil servant system; clearly define the obligations, responsibility, authority, rights and disciplines of administrative officials; design a system on recruitment, training, functions and selection of civil servants; build a contingent of cadres and state personnel with specialized and highly professional skills, political consciousness, and a strong sense of responsibility and justice who will carry out tasks with devotion and sobriety.

Regarding reform of judicial organizations and operations:

— Efforts must be made to continue building and perfecting the system of legal documents and make them a basis for the organization and operation of various judicial institutions. We must ensure that all crimes are punished, all citizens are equal before the law.

— We must consolidate and perfect the mechanism of legislative organizations, reassess the jurisdiction of people's courts, gradually expand the jurisdiction of preliminary hearings of the people's court at the district level, and renovate the organization and activity of the People's Organ of Control and agencies responsible for investigation, court order enforcement, and other legislative support services.

— We must build the contingent of legislative personnel, including judges, court clerks, investigators, inspectors, enforcers, notary officers, assessors, and attorneys... with high political and moral qualities, excellent standards of fairness, and a spirit of impartiality and sound professionalism to ensure that the legislative system will be pure and steadfast.

The struggle against corruption should be strengthened and carried out resolutely and regularly within the state apparatus, in all sectors and echelons from the central to the grassroots levels. Efforts should be made to combine urgent work with strategic measures to perfect the system, policy, and organization, while striving to strengthen management, overcome loopholes, and seriously and promptly deal with crimes and criminals. We should mobilize and closely coordinate all forces to stop, repel, and eradicate corruption.

The struggle against corruption must be carried out in close association with the struggle against smuggling, waste, bureaucracy and against officials using their position and authority to engage in embezzlement, causing losses to the state, and in receiving bribes, especially in areas related to land, housing, capital construction, joint ventures, financial transactions, banking, export-import, immigration, customs, juridical activities, and the management of public assets and capital at state-run enterprises.

Efforts must be made to satisfactorily carry out the following tasks:

1. To continue perfecting the state machinery, accelerate administrative reform, and strengthen state management work. It is essential to openly and democratically carry out the tasks of allotting funds and expenditures, reviewing investment projects and programs, and closely controlling use of the state budget. Efforts must be made to: renovate the capital management mechanism at state-run enterprises; manage public assets at state agencies; perfect technical and economic standards and quality; improve the statistics, accounting, and auditing system; continue to improve the wage system to ensure that civil servants can live on their income; formulate a plan to establish a list of incomes, land, and houses of civil servants and party cadres from the central to the local levels.

2. To seriously and promptly deal with various corruption cases in all localities, echelons, and positions.

3. To perfect the law enforcement agencies and resolutely expel from these agencies those cadres and officials involved in corruption or who protect and assist corruption rings, thereby making these agencies truly pure, firm, and strong.

4. To enhance the political background, quality, and ethics of cadres and party members; manage and closely control party members at their offices and residences to ensure that all cadres, party members, and civil servants at all levels regularly foster their ethical conduct and refrain from committing crimes under all circumstances solely for the sake of money.

5. Heads of various organizations and units must set a good example by refraining from involvement in corruption and must take responsibility for suppressing corruption at their organizations and units and select people with good conduct who have acquired a sound political background and specialized professional skills to participate in the task against corruption. Efforts must be made to: build a mechanism for the Vietnam Fatherland Front and other political and mass organizations, cadres, party members, and people to detect and positively participate in the struggle against corruption; protect those who have a sense of justice and resolutely participate in the fight against corruption; seriously deal with organizations and individuals who protect and assist corruption

rings; oppose those who use the anti-corruption struggle to smear or create internal trouble at their organizations; and develop the role of various mass media organizations in this struggle.

Part Four: Building the Party Up To the Requirements of the New Stage

All successes and shortcomings of the renovation undertaking impinge directly on our party's leadership and operation. The party's leadership and operations are decisive factors in bringing about success in the renovation. At the same time, the party has become more mature during the renovation process and clearly realizes its shortcomings and the need for remedial measures.

Achievements of the renovation undertaking indicate that our party can continue to firmly maintain and develop the capabilities and experiences of the previous stages and can effectively lead in the national building and defense tasks under new and very complicated circumstances.

Generally speaking, the party building task has recorded the following achievements over the past 10 years:

— The party has outlined, gradually supplemented, and perfected the renovation line in a correct and creative manner, thus better defining the path to socialism in our country.

— The party has confirmed Marxism-Leninism and Ho Chi Minh thought as the fundamental ideology and compass for all its actions. At the turning points of the revolution and before the complicated changes in the situation, the party quickly introduced correct orientations on political ideology, rectified ideological deviations, denounced hostile allegations, and created a foundation for ideological unity in the entire party and people.

— The party has firmly maintained the principles of democratic centralism, collective leadership, and individual responsibility. It has achieved progress in the execution of democracy in the party and in guiding the execution of democracy in society. It has developed a collective intelligence and the combined strength of the all-people great unity bloc.

— The party has introduced guidelines and measures to renovate and rectify the party, together with the duties for socioeconomic development and the consolidation of the political system. It has basically revamped its cadre organization to improve the knowledge and fighting power of the contingent of party members, thus preventing the degradation in many grassroots party organizations and improving the leadership organization and working attitude. The party's inspection work on the observation of the organizational principles and party activities to preserve the revolutionary integrity and morality of party officials and members, as well as the enforcement of party discipline, have shown progress.

The party building work in the past, however, remains deficient. Some major issues are currently emerging:

— Under the conditions of a market mechanism, a multisectorial economy, and open-door relations with other countries, party officials and members are constantly exposed to new and very complicated influences, including sabotage activities against the party by hostile forces. The principle of firmly preserving the nature of the party's worker class is now facing new challenges. The party, however, lacks adequate preparations for these major changes and has not given proper attention to the education and forging of the integrity, morality, and political qualities of cadres and party members. A considerable number of party officials and members lack efforts to discipline themselves and let their ideals fade and their determination dwindle, while their morality and lifestyle are debased. Some have become politically degenerate and, despite their tiny numbers, their activities have had negative effects.

— The party's knowledge and its management capacity are not meeting some aspects of the requirements of the renovation undertaking. Many ideological and practical issues have not been fully clarified.

— Grassroots party organization are weak in many localities. Some are even paralyzed. Their mode of leadership and their activities are in confusion, lacking both democracy and discipline. A number of party committees and party officials fail to respect and properly exercise the principle of democratic centralism, while they indulge seriously in bureaucratism, authoritarianism, departmentalism, and individualism. In more than a few places, internal disunity has become a serious issue.

— The control work over the implementation of the party's guidelines, ideas, and resolutions has not been satisfactorily carried out.

In order to implement the targets and tasks outlined by the Eighth National Party Congress, our party must continue to renovate and correct itself, further enhance its fighting power and leadership capacity, and overcome shortcomings and weak, negative phenomena. The party must be strong from the central to the grassroots levels and in all echelons and sectors.

In regard to party building work, we must thoroughly understand and strive to address the following key issues:

1. The party must preserve and strengthen the nature of the party's worker class. This is the most significant duty for our party at present. Under the current conditions, in order to firmly preserve and strengthen the nature of the party's worker class, we must:

— Determine the goal of national independence and socialism. We must not deviate and distance ourselves from this ideal goal, however difficult the situation.

— Resolutely and creatively apply and contribute to developing Marxist-Leninism and Ho Chi Minh thought, put them in the Vietnamese perspective, and use them as the ideological foundation and a compass for our actions.

— Consolidate the principles of centralized democracy, collective leadership with individual responsibilities, regular criticism and self-criticism, and maintenance of the party's unity and unification.

— Educate and nurture continually the correct viewpoint and awareness of the worker class and build up the contingent of cadres in accordance with the views of the worker class.

— Strengthen close relations with the people, cultivate the all-people great unity bloc, take good care of the people's livelihood, and truly develop the people's right to mastery.

— Be loyal to the internationalism of the worker class and combine the people's strength with the strength of the modern era.

Throughout the revolutionary process, the interests of the worker class have been identical with those of the people. The party represents the interests of the worker class and those of the people at the same time. The strength of the party relies on a flexible combination of the modern ideological theories of the worker class and our fine national traditions. This combination has been brilliantly demonstrated through Ho Chi Minh thought.

2. Enhancement of political acumen, revolutionary qualities, and educational standards:

In order to guarantee unanimity in ideology in the party as a whole and using the party platform and other party documents as the foundation, all party organizations should conduct regular study sessions on: the party's lines and policies; the essential issues of Marxism, Leninism, and Ho Chi Minh thought; fine national traditions; and new knowledge of the contemporary era.

Primarily, ideological work should focus on the concrete issues of life that require explanation, highlight the scientific nature of the theories, predict all development trends, contribute to supplementing and perfecting the party's lines and policies, and clearly define the path to socialism.

All party officials and members, especially leading officials, must have plans for regular study to improve their political theories, general knowledge, and practical working capacity. Studying is compulsory for every party official and party member and should be institutionalized. Laziness in studying and thinking and failure to frequently acquire new information and knowledge are also signs of degeneration.

Efforts should be made to correct deviant perceptions, vague viewpoints, indications of faltering determination, and weakening trust in socialism and party leadership. We should also criticize and reject all wrong and hostile theories. Party members have the right to express opinions within the organization and have these opinions acknowledged, but they should in all circumstances abide by all party resolutions and refrain both from disseminating viewpoints that run counter to those of the party and leaking party and national secrets. Party organizations must deal promptly with all party officials who violate party principles and those who take advantage of democratic activities to promulgate anti-party theories.

Party organizations should also overcome the situation in which there are a number of party officials and members with declining standards of morality. Party officials and members should be models in improving their qualities, heightening standards of revolutionary morality, honoring the principle of "diligence, frugality, honesty, fairness, and public interests first." Individualism should be overcome. Party officials should refrain from taking advantage of legal discrepancies and loopholes to conduct illegal business and embezzle public funds. Party organizations should regularly educate and manage their party officials and members, including those in high positions.

Regulations should be set up to clarify business activities and services for foreigners in which state employees are not allowed to be involved. Regulations should also cover the acceptance of gifts and entertainment of guests as well as the declaration of earnings and assets, especially when officials in leading positions are involved. Party organizations should investigate people who suddenly become unusually rich and have a clear policy on the responsibilities of party officials who have spouses or children conducting illegal business activities. Regulations should also be made to determine the types of business activities forbidden to spouses and children of officials, both at central and local levels, during the terms of office of the officials concerned. Party members are not allowed to conduct private capitalist economic activities either personally or through their relatives .

Degenerate party officials and members, regardless of their status and rank, must be subject to prompt and scrupulous discipline.

3. Consolidate the party organizationally and seriously implement the principle of democratic centralism.

Specific rules must be worked out to ensure that party members have equal opportunity to discuss and decide on issues relating to the activities of party organizations. It is necessary to see that the minority submits to the majority, that individuals yield to the organization, that lower echelons listen to higher echelons, and that organizations within the party comply with the decisions of the Party Central Committee and the National Party Congress. Decisions under the jurisdiction of the collective must be reached by the majority itself and individual members must implement the decisions of the collective.

Party members and cadres should uphold a sense of organization and discipline, put themselves under the management of party chapters on a voluntary basis, enthusiastically participate in all party chapter activities, and comply with party discipline. No party members should be allowed to distance themselves from the management of the organization.

Steps must be taken to practice serious criticism and self- criticism, and to fight against formalistic or superficial habits as well as any hesitation in rectifying shortcomings. It is necessary to prohibit repression and reprisals against critics as well as attempts to take advantage of criticism to launch slanderous attacks and cause internal disunity.

All manifestations of a poor attitude toward organization and discipline, deliberate attempts to oppose party instructions and resolutions, and tendencies to breed factions in the party must be subjected to severe disciplinary measures.

Continued efforts must be made to revamp the party, state, and organization apparatuses in the direction of making them light and efficient. The functions, duties, and relations between organizations should be clarified more clearly. Steps should be taken to consolidate party committee echelons and improve the quality of the activities of party committees, party groups, and party affairs committees.

Unity and unanimity within the party among leading agencies constitute a decisive factor of success for the revolution. Cadres and party members safeguard unity and unanimity within the party based on the political lines, organizational principles, and comradeship. Concentrated efforts must be made to cope with incidents that involve serious disunity in sectors and localities. It is necessary to correctly analyze the causes and work out adequate problem-solving methods. It is necessary to pay special attention to the following:

— The appointment of suitable people to head party organizations and administrative organs at the same level;

— The correct implementation of the principle of centralized democracy;

— The working out of clear-cut operating procedures, particularly relating to cadre work;

— The practice of routine criticism and self-criticism and resolutely combating jealous infighting, opportunism, regionalism, and individualism;

— The fostering of comradeship and mutual respect;

— The discovery at the earliest stage of all indications of disunity, making every effort to get rid of them as thoroughly as possible.

We should not assimilate different views in discussions and debates with a lack of unity. The development of the revolution has given rise to many complicated and unclear theoretical and practical issues; therefore, there must be discussion and debate within the party. For the sake of truth and justice, cadres and party members should listen to and respect other people's ideas. At times they should wait for additional opinions before deciding on certain issues. Also, they should not reach a formalistic, one-way, and easy "unity" just because they want to please each other or are not bold enough to express different views.

4. Pay good attention to the development of the contingent of cadres.

The duties of the new period pose many requirements in cadre work. The party as a whole should pay the utmost attention and care to the building of the current contingent of cadres, as well as the prospective contingent of cadres, who should be competent in all fields. The party should, in a shortest period of time possible, successfully build up a strategy for cadre work in the new period.

The party provides cadres for all sectors of the whole political system. On one hand, the party holds universal leadership in both cadre work and the management of the contingent of cadres and, on the other, develops the responsibilities of member organizations in the political system. The party should always maintain the principles of collective leadership and democracy in parallel with the development of individual responsibility in cadre work.

While always ensuring good standards of competence, party organizations should try to rejuvenate the contingent of cadres and organize good coordination between different age groups in order to maintain continuity and development potential within the party. The party should also have policies to encourage unity that will attract cadres of all types as well as other talents in the country, both in and outside the party.

Training and retraining for cadres must be comprehensive, covering all aspects of political theories, moral qualities, professional knowledge, and practical competence. Training should be planned for all leading officials, management officials, businessmen, and specialists, with special attention being given to core cadres in the political system. Talent and ethics are both regarded as important, but ethics should be the basis. Studies by cadres must be institutionalized and carried out seriously. All party officials should strive to regularly improve their capacity in all aspects, sharpen their political qualities, and cultivate their loyalty to the revolutionary ideals and their determination to safeguard national independence and socialism. They should also highlight awareness of the organization's disciplines, be models of moral living to others, and have the ability to make their own interests fit in with those of the organization. Whenever their own interests conflict with those of the organization, the collective interests should prevail.

Party organizations should build up the sources of cadres from people's movements and from universities, colleges, and occupational schools. Adequate attention must be given to the task of nurturing revolutionary ideals, Marxism-Leninism, and Ho Chi Minh thought for the young generation.

Perceptions and methodologies in cadre assessment and deployment must be renovated in the direction of democratic and scientific principles. Each party committee level should have measures to manage and follow up the development process of their cadres. Any assessment of and comments on an official must be based on his concrete actions, achievements, and flaws in each particular period. Comments and conclusions on cadres as well as other personnel decisions must be the responsibility of authorized organizations. Party organizations should avoid simplified, biased, impartial, and formalistic practices in personnel work.

The deployment and appointment of cadres should meet satisfactory criteria and exhibit competence. Appointments and promotions should be made in time and within the capacity of the appointees concerned. Regulations should be set up to organize elections with clearly defined terms of office. Provisions need to be made to allow officials to resign or to move to more suitable positions. The party organizations also need policies on the selection of cadres to attract those with talent.

The party needs proper policies on rewards and incentives for cadres of all types. The attitude of being reluctant to work in party and organization agencies must be rectified, as well as the situation of "brain drain" in the state sectors. We will also need active and positive measures to protect cadres, not letting them become corrupt, sidelined, and manipulated by dark forces.

5. Heightening the militancy of party organizations.

In order to have effective measures to renovate and rectify different types of party organizations, we should carry out careful analysis of their functions. Each type of party organization should operate in accordance with its functions and duties.

Developing the experiences learned from the implementation of the resolution of the Seventh Party Central Committee's Third Plenum, party organizations should continue to build their units into pure and steadfast units, improve weak grassroots party organizations, and overcome the situation of lax party work. Whenever party organizations are riddled by internal disunity, or when leading officials have shown indications of negativism, party organizations at a higher level should direct and help the party organizations concerned to rectify their weaknesses. Party organizations at grassroots level in regions with ethnic and religious groups should get help to implement changes for the better in party work.

Consolidation and rectification work in party organizations at grassroots level should help these party organizations to firmly take hold of all the lines and policies of the party and state and to be able to work out plans and measures to fulfill their duties in economic development, eliminate hunger and reduce poverty, improve the livelihood of the laboring people, and fight against corruption and coercive actions against the people. Party organizations should lead the efforts to solve the people's urgent, rightful, and practical petitions. They should always strive to improve party activities and have clear provisions stipulating procedures for party officials who are on assignments far from home or overseas. Party members should always be managed using strong discipline.

In private enterprises, joint ventures with foreign countries, and localities where there are few party members, we must start by building mass organizations, gathering and educating the masses, recruiting more youth union and youth association members as well as party members before moving toward building party cells and party chapters. We must promptly come up with guiding stipulations governing the activities of various party organizations in this sector.

We must set aside appropriate funds for the training, additional training, and rewarding of grass-roots party cadres. Attention must be given to strengthening the contingent of backbone cadres.

Grass-roots party organizations must mobilize and organize the people to regularly participate in party building, to contribute their views on the preparation of party resolutions, to supervise and criticize party cadres and members, to recommend deserving people for party membership or for election to various party committees and the administration, to help their higher-echelon party organizations satisfactorily inspect, discover, and fight against acts of corruption and smuggling as well as against other negative practices.

We must renovate the mode for assigning duties to party members and must create conditions for all party members to adhere to their specific duties. As for aging and ailing comrades, we must give them necessary assistance so as to ensure their livelihood while creating every condition for them to continue their personal development and the contribution of their experiences to common causes.

We must step up the party development task, trying to ensure standards and qualities. The training and education of youths are important tasks as they create sources of replenishment for the party.

6. Continue to renovate the party's leadership procedures.

The party is the leader of the political system. It sets forth policies and lines on national construction and defense and firmly controls its organization and cadres so as to ensure effective enforcement of party lines. The party exercises its rule through its party organizations and not through its individual party members. The party exercises its rule through collective decisions and by means of monitoring, offering guiding suggestions, and inspecting work implementation. The party must encourage positive actions and correct errors in order to help develop the role and efficiency of the state rather than running things on behalf of the state. The party and all its members must work within the framework of the Constitution and the law and must take responsibility for what they have done.

Party organizations in youth union groups and party affairs sections in various state organs and mass organizations must take responsibility before their party committee echelons for any failure on the part of their agencies or mass organizations. They must cooperate with relevant department-level party committees and local party committee echelons in carrying out party building at establishments under the management of their sectors.

Party committees, party committees within youth union units, and party affairs committees must abide by the principles of collective leadership and individual responsibility. They must establish for themselves a system of periodic meetings with clear-cut agendas and must not create a mix-up between party meetings and government meetings.

7. Regarding party inspection and discipline.

Inspection work plays an extremely important role in all party leadership activities. Conducting party inspection and maintaining party discipline constitute a duty of the entire party.

The goals of the inspection work consist of conducting inspections of the enforcement of party policies, lines, resolutions, and directives; the observance of the principles governing the organization and activities of the party; and the maintenance of party members's revolutionary qualities and ethics. We must, though inspection efforts, develop strong points, discover new factors, overcome shortcomings, make necessary adjustment to lines and policies, and handle all violations.

Party organizations, party committees, especially the Political Bureau, the Secretariat, and various standing committees must take the initiative in conducting inspection and using subordinate committees to organize inspection work in a satisfactory fashion.

Party discipline inspection work, which involves the drawing of programs, plans, goals and targets, must be closely linked with state and popular inspection work if we are to reach a clear-cut conclusion and come up with correct countermeasures against those breaching the law, especially party members.

We must consolidate and strengthen the inspection mechanism at various echelons. Attention must be paid to providing training and additional training to the contingent of inspectors of legal and economic policies and concepts as well on professional services. We must build a contingent of impartial, clean, and qualified inspection cadres with good political qualities, who must have sufficient capabilities, including the capability to inspect the enforcement of the party policies and lines. Special attention should be paid to the task of internal political protection within the party.

Dear congress, comrades, and friends, the Eighth National Party Congress is the congress for the continuation of the renovation along the socialist path. Orientations and tasks presented above are aimed at concretizing and further developing the renovation policy determined by the Sixth and Seventh National Party Congresses. Triumphantly implementing these orientations and tasks is the best way to create a momentum for greater progress in the cause of national building and defense, thereby preparing our people to firmly advance into the 21st century.

Our entire party, the armed forces, and the people are united as one to bring into full play our nation's glorious tradition and the Vietnamese people's intelligence and capability. They are prepared to uphold the spirit of independence and the movement toward self-reliance and improvement, to firmly grab opportunities, to expel dangers, to overcome challenges, to determinedly turn the resolutions of the Seventh and Eighth National Party Congresses into reality, to continue the renovation undertaking, and to vigorously step up industrialization and modernization for the objectives of a prosperous people, a powerful country, and an equitable and civilized society so as to firmly advance toward socialism.

Australia

Australia: 'Media Release' on Agriculture Consultations With U.S.

BK0107110596 (Internet) Australian Department of Foreign Affairs and Trade WWW in English 26 Jun 96

["Joint media release" issued by Tim Fischer, Australian deputy prime minister and minister for trade, and John Anderson, Australian minister for primary industries and industry, on 26 June; place not given: "Government Pursuing Engagement With the U.S. on Agriculture"]

[FBIS Transcribed Text] The Australian Government is pursuing a policy of vigorous engagement with the United States on key bilateral trade issues, the Deputy Prime Minister and Minister for Trade, Tim Fischer, and the Minister for Primary Industries and Energy, John Anderson, said today.

"The seventh round of the Australia-US Agricultural Trade Consultations, held by officials yesterday in Canberra, is the latest example of our comprehensive approach toward promoting Australia's bilateral trade interests," Mr Fischer said.

"These talks build on the highly productive discussions I had in Washington recently with senior members of the US Administration." The Ministers pointed out that the consultations provided a valuable channel for dialogue on key bilateral issues and helped maintain an atmosphere of productive engagement in the lead-up to the AUSMIN [Australia-U.S. Ministerial] talks to be held on July 26-27.

During the talks, senior Australian Government officials strongly reiterated to key players in the US Administration, our concerns with the Export Enhancement Program (EEP) and the Dairy Export Incentive Program (DEIP).

"We are concerned that future allocations under these programs, expected to be made in Washington in the next week or so, will include a regional allocation for Asia under the EEP for grains, and the introduction of new markets for DEIP," Mr Anderson said. "The US side was left in no doubt that we expect them to honour President Clinton's assurance — most recently reiterated to me by Vice- President Gore — that Australia's interests will be taken into account in the operation of these programs," Mr Fischer said.

Other bilateral issues discussed included implementation of the new US Farm Bill, US concerns about the operation of the Wheat Board and Dairy Corporation, and quarantine issues.

On quarantine issues, the US side raised questions concerning the AQIS [Australian Quarantine and Inspection Service] decision to delay the import of citrus fruit from Florida pending further information on the evidence of citrus canker in Florida. They also sought an explanation on the latest situation on proposed imports of cooked chickenmeat and wild-caught North American Pacific salmon. The US side also emphasised the importance of appropriate resourcing of AQIS to undertake risk assessments.

"Australia is obliged to consider import requests on their technical merits, just as we expect other countries to consider Australian requests for access," Mr Anderson said. "However this does not infer pre-determined outcomes, one way or the other. We will make our assessments and decisions on scientific grounds."

The consultations have been held on a regular basis since 1991. On this occasion, the US side was led by Chris Goldthwait, general sales manager and associate administrator, Foreign Agricultural Service in the US Department of Agriculture, and included senior officials from USTR and the State Department.

The talks highlighted where Australia and the US were cooperating to advance the goal of international agricultural trade reform, specifically in the WTO and APEC. Both sides acknowledged the importance of global food security and agreed on the need to consult closely in the lead-up to the FAO [UN Food and Agriculture Organization] World Food Summit in November. Both sides expressed frustration over the activities of the European Union in subsidising the production of wheat starch and gluten, and the subsequent corruption of world markets, and the use of export taxes.

"Australia and the US have a long record of cooperation on agriculture. These talks demonstrate the willingness of the US to engage with us and look toward new areas for cooperation, as well as being willing to have a frank and open dialogue on bilateral concerns. We welcome the continuation of these talks as an effective forum for both sides," the Ministers said.

As well as formal consultations, the US delegation had a round table meeting with Australian rural industry representatives and visited a sheep and cattle property in the Canberra region.

Australia's Downer: Enhanced Defense Ties Not for Containing China

BK0207101696 Melbourne Radio Australia in English 0630 GMT 2 Jul 96

[From the "International Report" program]

[FBIS Transcribed Text] The Australian foreign minister, Alexander Downer, has reassured China that Australia's enhanced defense ties in the region are not part of an attempt to contain the people's republic. In Seoul, South Korea, the Australian foreign minister said there was a growing perception the United States was floating with a policy to contain China. While Mr. Downer said he disagreed with this view, he will use a visit to Hong Kong later this week to head off any concerns in Beijing about Australia's policy toward China. John Shovelan reports from Seoul:

[Begin recording] [Shovelan] The Howard government is concerned China may view Australia's upgraded defense relations — its first with Japan — and now with South Korea as part of a U.S. policy to contain the world's only emerging superpower — the People's Republic of China. There is a growing view Washington is contrary to its public pronouncements, practising a de facto policy of containment by building a web of security alliances — a web which includes Australia.

The U.S. used a similar strategy toward the former Soviet Union. The fear Washington has now embarked upon this clandestine policy toward Beijing was a major part of the recent consultations in the U.S. by Defense Minister Ian McLachlan and Foreign Minister Alexander Downer.

Mr. Downer acknowledged the increasing suspicions over U.S. policies.

[Downer] I think it is true that there has been something of a perception developing in recent years that may be the United States is floating with the idea of a policy of containment with China. I do not believe they are and when I was in the United States I made a point to the Americans that we do not want to see that happen.

[Downer] But just as suspicion to the U.S. policy grows and Washington negotiates other defense ties with Tokyo, Canberra is concerned China may be growing suspicious about Australian Government policy.

Australia, a strong U.S. ally, has begun its first ever political-military talks with Washington's two greatest regional allies — Japan and South Korea. In addition, Canberra was the only government in the region to publicly back the dispatch of two U.S. carriers to the Taiwan Strait earlier this year. The move aimed at warning Beijing off and indicating the U.S. would engage militarily with China.

Mr. Downer was due to visit China about now but the trip fell through when the Chinese foreign minister, Qian Qichen, became unavailable. After yesterday announcing Australia's upgraded defense links with the Republic of Korea, Mr. Downer now plans on a major address in Hong Kong where he will try and head off Beijing's suspicions about the Australian Government's policy toward China.

[Downer] I am absolutely opposed to developing a regional policy of the containment of China. I think that would be extremely damaging. I think it would generate nothing short of a most undesirable backlash in China itself and it would be counter to all the things that we are trying to achieve which is to develop this framework of regional cooperation on security issues and a bit of frankness about security problems as they exist and that has to include discussions with China as well — not the exclusion of China. So, it is a fair question, but we are absolutely not in favor of any policy of containment of China.

[Shovelan] Mr. Downer, who has made several visits to China and describes himself as a Sinophile, says he expects to visit China very soon. [end recording]

Australia: Howard Dismisses Calls for Downer's Resignation

BK3006075696 Sydney THE SYDNEY MORNING HERALD in English 29 Jun 96

[Report by Michael Millett — Received via Internet]

[FBIS Transcribed Text] The Prime Minister made clear in Parliament on Thursday [27 June] just where he had drawn the line in the sand with his errant Foreign Minister. Deflecting Opposition attacks on the DIFF [Development Import Finance Facility] affair, John Howard said he had no intention, at this stage, of asking Alexander Downer to resign.

"I do not think the Minister for Foreign Affairs will forget the events of the past few days," he said, amid general laughter from the Labor side.

"I think the Minister for Foreign Affairs fully understands what his obligations are. But I want to make it very plain to the Leader of the Opposition that, unless it is demonstrated to me clearly and convincingly that the Minister for Foreign Affairs deliberately misled this Parliament, I have no intention of asking for his resignation".

It was a double-edged message. To Labor: that it would not end the parliamentary session with the head of one of the Government's most senior ministers.

And to Downer: that he dare not place the Prime Minister in a similar spot again.

Downer has denied, publicly, that he was issued a warning by the man who replaced him as Coalition Leader that any further demonstrations of ineptitude or sloppiness would imperil his ministerial career.

By all accounts, Howard did not even raise Downer's future during a meeting on Thursday morning to devise a strategy to bail the Foreign Minister out of his predicament.

The Prime Minister was sympathetic to Downer's defence that he had been mired in a range of complex issues last weekend and had failed to appreciate the dangers contained in his emphatic claim in the House on June 18 that no regional country had raised concerns at ministerial level about the scrapping of the Development Import Finance Facility.

The Howard office had also been caught off-guard, girding itself for another week of Opposition attacks on an entirely different issue.

But this was still more than a friendly helping hand. After watching Downer flailing away helplessly in Parliament, Howard knew decisive action was needed to prevent him causing further damage to the Government.

"The ship had begun taking water. Something had to be done," one senior Government strategist said.

Howard demanded that Downer and his office comb through their files to determine whether any more damaging correspondence existed. The pair then drafted a statement aimed at deflecting further Opposition attacks — a statement that included Downer's abject admission of his use of "loose language".

Rarely has such a humiliating tactic been used to prop up a senior minister.

New Caledonia

New Caledonia: French Minister Holds Talks With FLNKS Leader

BK0307075996 Melbourne Radio Australia in English 0500 GMT 3 Jul 96

[FBIS Transcribed Text] The French minister for overseas territories, Jean-Jacques de Peretti, says talks between pro- independence groups in New Caledonia and his government are back on course.

Speaking in the French territory's capital, Noumea, Mr. de Peretti said he had held talks with tribal leaders and delegates from the Kanak independence group, the FLNKS [Kanaka Socialist National Liberation Front]. The delegates were led by the FLNKS president, Rock Wamytan, who said the discussions were proceeding well.

Mr. de Peretti said he would not give specific details on the negotiations because the FLNKS had asked for confidentiality. He said there would be more talks later this week and he will also have a meeting with delegates from the South Pacific Forum.

New Zealand

New Zealand: 'Disquiet' Expressed Over 'Shrinking' Defense Force

BK3006075296 Christchurch THE PRESS in English 25 Jun 96

[Editorial: "Defending New Zealand" — received via Internet]

[FBIS Transcribed Text] Came the familiar "thus far and no further" cry from Paul East, the Minister of Defence, when in reply to a question at a national council meeting of the Returned Services Association he commented on the shrinking New Zealand Defence Force. Mr East acknowledged that funding was now at a minimum. He is undoubtedly right. The vital point is whether he will remain convinced about this as the election gets closer.

Mr East needs to do a lot more. He must take the argument to the public and persuade it of what needs to be done about defence spending. Mr East is an energetic Minister, but has been in his present portfolio for only three months. He has made a promising start by touring some defence establishments, and has shown ability to master his previous portfolios; he might turn into a Defence Minister who does what needs to be done.

The air force presents a sharp dilemma. New Zealand's main transport and surveillance aircraft, the Hercules and the Orion, are both 30 years old and the Iroquois helicopters are just as ancient. The interdiction aircraft, the Skyhawks, were bought in 1970 but have been extensively modified, so some of the technology is not as old as the aircraft. The plan is to put new wings and horizontal stabilisers on the Orions. The Andovers, also used for transport, are gradually being phased out. Replacing the Andovers will be a major capital expense, and New Zealand has an option on buying modern Hercules. Making sure that there will be enough funds will be a challenge for whoever is Defence Minister. The time to lay the groundwork is now.

The sharpness of the dilemma for the air force is illustrated by the fact that New Zealand has international responsibilities for search and rescue over 12.3 per cent of the Earth's surface. To carry out these responsibilities it has six Orion aircraft, but trained crews for only four.

The issue for the navy is whether another two Anzac frigates should be bought, and this must be decided by November next year. The original proposal was that New Zealand should take four vessels but the final contract was for two, leaving the decision open on the others. The debate about taking up the option has become highly politicised. One argument used against the extra ships is that their high cost would distort defence spending. Their cost is high, but the issue should not be settled on cost alone. The nation's needs should determine the outcome. Central to that is the navy's assertion that a four-frigate navy is the minimum required to maintain a blue-water navy.

The army, which has been engaged in several peace-keeping roles, has lacked any defence against air attack. Expenditure for anti- aircraft missiles has now been approved. The army has been equipped with modern rifles, but its armoured personnel carriers date from the 1960s and need replacement.

Exactly what will happen to defence and foreign relations after the MMP [mixed member proportional electoral system] election is uncertain. The optimistic view is that the parties will come to a sensible consensus. The pessimistic view is that defence and foreign relations, nowhere near the top of voters' concerns, will suffer as the parties vie for popularity. They might believe that they can ignore defence and foreign relations to gain support on other issues. If this pessimistic view comes to pass, New Zealand's international standing and its ability to act internationally will be gravely damaged.

Many New Zealanders seem ambivalent about defence, though National, Labour, the Alliance, and New Zealand First all believe that the country should have a defence force. The country's defence strategy has been summed up as "self-reliance in partnership". Spelled out, it requires the New Zealand Defence Force to provide the Government with a range of options to contribute to multinational peace support or peace enforcement operations; to be able to contribute to the maintenance of regional security, including the defence of Australia; to be able to ensure the sovereignty and territorial integrity of New Zealand and its outlying islands; and to provide security assistance in the South Pacific. These are modest, but necessary, aims but they cannot be achieved without adequate supplies of modern equipment and adequate numbers of well-trained people. Deep disquiet exists in the defence forces about the state of both. New Zealand needs a defence force, and it needs to provide for one.

New Zealand: Editorial Views Bill on Intelligence, Security Agencies

BK3006075396 Christchurch THE PRESS in English 26 Jun 96

[Editorial: "Secret Service Improved" — received via Internet]

[FBIS Transcribed Text] It is one of the paradoxes of the open society that a secret service is an essential part of it. New Zealand has been exposed to this paradox as the Intelligence and Security Agencies Bill has made its progress through Parliament. The bill was reported back to Parliament last week by the select committee that examined it, called evidence, and heard submissions. The legislation has now passed its final reading.

It was broken into three separate pieces, though all deal with the same subject — an indication of the complexity of the issues involved. One act will establish an intelligence and security committee, another will provide for the appointment of an inspector-general of intelligence and security, and a third will amend the New Zealand Security Intelligence Service Act of 1969.

Not all those who made submissions accepted that there need be a paradox at all. Some argued that the country did not need a secret service.

The two named services are the Security Intelligence Service [SIS] and the Government Communications Security Bureau [GCSB]. They are not the only Government organisations in the country that deal with highly confidential information, and consideration was given to including others in the legislation, including the police criminal intelligence unit, but the committee decided that these other agencies should not be included. The information-gathering processes of the police were considered to be subject to police oversight and accountability arrangements, and other agencies are not of the same character as the SIS or the GCSB. What is appropriate for the SIS and the GCSB is inappropriate for them. The committee's decision was sensible. The legislation allows for an order in council to declare another agency to be covered by the provisions of the new legislation.

New Zealand needs to protect its interests and to protect the interests of the countries with which it shares information. The onset of the Cold War did not bring this about and the end of the Cold War did not change this need. To believe that this can always be done in an overt way is naive. The case for a secret service is compelling. The skill lies in devising legislation that enables the nation's interests to be protected, ensures that the secret service does not get out of hand, and ensures that the rights of the individual are preserved to the fullest extent possible.

Under one part of the new legislation the SIS and the GCSB will come under the oversight of a committee of parliamentarians. The services have generally been under the oversight of a group of senior officials chaired by the Prime Minister's Department, known as the Intelligence Council. The new parliamentary committee, which will be statutory, will replace the Intelligence Council. There is no reason to believe that the council's oversight was lacking but giving the oversight to legislators is a move towards more openness. It is also a move that must reassure legislators themselves, who have had almost no access to the workings of the secret services.

The second major change is the establishment of an inspector-general, who will have the authority to inquire into the activities of the SIS and the GCSB and to whom any member of the public can inquire if that citizen believes he or she is being victimised in some way by the secret services. A similar post already exists; the new inspector-general will have wider jurisdiction. Such a post is necessary and the public should have no doubts about the integrity of the holder of the post. The legislation requires that the position be held by a former judge of the High Court.

It was the change in the definition of security in the amendment to the New Zealand Security Intelligence Service Act of 1969 that brought forth most submissions. When the bill first appeared, the wording was extended to include "the ensuring of New Zealand's international well-being or economic well-being". The broadening recognised that secret services have a duty to protect the economic well-being of a country. As originally drafted, it seemed to leave too many loopholes through which the SIS might have the authority to investigate legal activity. The committee examining the bill inserted two clauses into the 1969 act, one prohibiting the SIS from furthering the interests of any political party, the other affirming that the act does not limit the right of organisations or entities to engage in lawful advocacy, protest, and dissent. The committee also changed the wording so that the SIS was seen as "contributing to" rather than "ensuring" the security. Some people had interpreted "ensuring" as giving the SIS the sole responsibility for achieving the international and economic well-being of the nation.

Will any New Zealander who should not feel threatened feel threatened by the revamped legislation? Most should feel that it produces greater openness and accountability. No amount of legislation will prevent human error. People are more likely to feel threatened by inaccuracy than by any other single factor. There are already rules for any person who believes that the SIS holds a file on him or her to check the accuracy of that information. The changes in the legislation should reassure New Zealanders that the country's secret services are under control and that no-one should be victimised improperly.

Papua New Guinea

Papua New Guinea Commander on Role of Canberra Arms Against Rebels

BK0407145496 Sydney THE SYDNEY MORNING HERALD in English 4 Jul 96

[Report by Greg Roberts in Port Moresby — received via Internet]

[FBIS Transcribed Text] More than 1,800 Papua-New Guinean [PNG] troops — almost half the country's military forces — using Australian-supplied equipment, are preparing to launch an all-out assault on the separatist Bougainville Revolutionary Army (BRA).

The unprecedented military build-up was confirmed yesterday by the Commander of the PNG Defence Force, Brigadier-General Jerry Singirok, in an interview with the Herald in Port Moresby.

Despite assertions by Australia's Minister for Foreign Affairs, Mr Downer, that Australian-supplied military hardware had "not been provided in direct support" of operations on Bougainville, General Singirok said it would play an "essential" role in the offensive.

He made the military's objective in the operation clear. "The aim is very simple. We intend to eradicate the sponsors of these criminal acts and our boys are very determined to do that," General Singirok said.

"We have specific intelligence concerning the so-called strongholds of these criminals and we will destroy those concentrations."

General Singirok said Australian-supplied Iroquois helicopters were providing "very essential" support for the operation, especially by transporting troops and supplies, and although the PNG Government had assured Canberra that they would not be used as gunships, his troops would fire missiles and machine-guns from them if attacked by the BRA.

He said Australian-supplied patrol boats were playing a "crucial" role in cutting the rebels off from their support bases in the Solomon Islands and in transporting troops to combat zones, and that they would also be used in an offensive capacity if fired upon.

General Singirok claimed that in the two weeks since the offensive had been launched, only two soldiers had been injured and none had died in skirmishes with the BRA. As well, his forces had taken control of the formerly rebel-held villages of Orami and Sipuru, in central Bougainville.

Referring to the apparent extrajudicial killings of eight young men by PNG troops in northern Bougainville two weeks ago, General Singirok declined to confirm a claim on Tuesday by the Prime Minister, Sir Julius Chan, that they had died in a "shoot-out".

General Singirok said the incident was still under investigation and he had issued "stern" instructions to troops — 89 of whom had been killed in the seven-year conflict — warning them not to use excessive force.

He said troops would, where possible, capture BRA fighters alive and, while civilians would be safe as long as they did not "participate" in rebel operations, he could not rule out the possibility of innocent people being killed.

General Singirok confirmed an incident last week in which his troops on board an Australian-supplied patrol boat fired on a police centre in the neighbouring Solomon Islands, injuring a field officer, but said they were first fired upon by Solomons policemen.

Papua New Guinea: Military Silent on Reported Bougainville Offensive

LD0907091496 Melbourne Radio Australia in English 0700 GMT 9 Jul 96

[FBIS Transcribed Text] The Papua New Guinea [PNG] military is maintaining an official silence on the offensive against the heartland of separatist rebels on the island of Bougainville which began yesterday. Sean Dorney reports that he has had unconfirmed reports that the troops who went ashore at Aropa have suffered some minor casualties, but he says all efforts to get the PNGDF's [PNG Defense Force] confirmation have drawn a blank.

[Dorney] The PNG military won't even confirm that the offensive in southeast Bougainville has begun. One company of troops, about 100 soldiers, went ashore yesterday at Aropa and, despite resistance, I understand that they have consolidated their beachhead. The military's media spokesman on Bougainville won't return calls, and the only statement the PNGDF commander has authorized is one that doesn't refer at all to the landings but instead accuses the Solomon Islands border police of using heavy machine guns last Saturday to fire at a PNGDF patrol boat on the border — but that's 60 km south of where this landing has happened. Sean Dorney, Port Moresby.

Papua New Guinea: Rebel Sources Confirm Offensive on Bougainville

LD0907093096 Melbourne Radio Australia in English 0830 GMT 9 Jul 96

[FBIS Transcribed Excerpt] [passage omitted: Papua New Guinea, PNG, appears to have launched offensive on Bougainville] John Westland spoke to correspondent Sean Dorney in Port Moresby and asked him about the latest happenings on Bougainville.

[Dorney] Information is very hard to come by, John, the PNG military is being pretty tightlipped about this, but it does appear to be the beginning of the offensive under High Speed 2, this operation that Papua New Guinea is mounting to try and round up the rebel leaders. [passage omitted: about 100 soldiers put ashore at Aropa after being fired on]

[Westland] Does the operation involve the Iroquois helicopters, which, of course, have been donated by Australia?

[Dorney] I think the military operation may have to be amended a little. The Iroquois have been — the two that were operating on Bougainville — have been, one has been badly damaged by rebel fire. That happened in the mountains about two weeks ago. That aircraft, or that helicopter, is now back on Buka Island, and I understand there's an engineer up there at the moment trying to patch it up sufficiently to get it back to the mainland of Papua New Guinea for further repairs. And the other Iroquois isn't operating. So this particular offensive is going ahead, it appears, without the helicopter support that, I think, the PNGDF [Papua New Guinea Defense Force] had originally envisaged.

[Westland] Has there been any statement made by the BRA, the Bougainville Revolutionary Army?

[Dorney] Nothing official that I am aware of yet, or nothing that's been sent through to me, but BRA sources have confirmed that, yes, indeed, there has been this beachhead established. They say that their forces are resisting it strongly and they're supremely confident that this isn't going to work.

Papua New Guinea: Person Claims Responsibility for Grenade Attack

LD1107082696 Melbourne Radio Australia in English 0700 GMT 11 Jul 96

[FBIS Transcribed Text] A person has claimed responsibility for what is believed to have been a grenade attack on a government building in Papua New Guinea's capital, Port Moresby. The man refused to identify the group he was calling for, but he told the NATIONAL newspaper that its members were owed money by the government for their services and were frustrated over delayed payments. He said the group was organized and capable of hitting vital installations simultaneously throughout the country.

Police are still investigating the attack, which took place last Tuesday night [9 July]. The blast shattered windows in Morauta Haus, which houses the Lands Department and the prime minister's department.

Solomon Islands

Solomon Islands: PNG Prime Minister Accused of Making 'Serious' Allegations

BK3006134496 Melbourne Radio Australia in English 1100 GMT 30 Jun 96

[FBIS Transcribed Text] Solomon Islands has accused a Papua New Guinea [PNG] patrol boat of attacking a Solomon's police post. The Solomon's assistant commissioner of police, Michael Wheatley, said the incident occurred on Friday [28 June] at Tuluve Island in the Shortland Group. Mr. Wheatley said the patrol boat of the PNG Defense Force had opened fire with the 20-millimeter cannon on a Solomon's Police Field Force observation post on the island. He said one Solomon policeman had been slightly injured in the attack which he described as a crazy act. Mr. Wheatley added that the PNG boat departed after a Solomon's patrol boat and other field force units arrived at the scene.

In a separate statement, the Solomon's prime minister, Solomon Mamaloni, has accused his PNG counterpart, Sir Julius Chan, of making very serious allegations over the separatist war on the PNG island of Bougainville. Mr. Mamaloni said these included groundless allegations that the shipment of weapons to the Bougainville separatist rebels was being facilitated through Solomon's territory. The prime minister said the Solomons remained concern over what he called illegal armed incursions into its territory by PNG citizens, icluding members of the Defense Force and its supporters.

The PNG Government has admitted some incursions have taken place saying they occurred as the Defense Force was pursuing members of the Bougainville Revolutionary Army.

Solomon Islands: Minister Fails To Meet PNG Counterpart on Worsening Ties

BK0307032596 Melbourne Radio Australia in English 0100 GMT 3 Jul 96

[FBIS Transcribed Text] The Solomon Islands Government has aborted a planned meeting in Brisbane today between its foreign minister and the foreign minister of Papua New Guinea [PNG]. Sean Dorney reports that the Solomon Islands' deputy prime minister and minister for foreign affairs, Danny Philip, failed to catch last night's flight from Honiara to Brisbane even though he went to the airport.

[Begin Dorney recording] There is no official explanation yet as to why Mr. Philip aborted his trip, but I understand instructions came to him from his prime minister, Solomon Mamaloni, not to board the flight.

Mr. Philip and PNG Foreign Minister Kilroy Genia were to have held talks at the PNG Consulate in Brisbane today on the worsening relations between the Melanesian neighbors resulting from the Bougainville war. The Solomons has accused PNG of regular border violations and further crossings by a PNGDF [Papua New Guinea Defense Force] patrol boat this week may have prompted the cancellation of Mr. Philip's trip. [end recording]

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

- — Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.
- — Headlines and all bracketed explanatory notes are supplied by FBIS.
- — Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.